

OF THE



FOR POPULAR USE.

BY

CHARLES N. EMERSON,

COUNSELOR AT LAW, AND ASSESSOR TENTH MASSACHUSETTS DISTRICT, AUTHOR OF "THE INTERNAL REVENUE GUIDE."

SPRINGFIELD, MASS.:
SAMUEL BOWLES & COMPANY.

NEW YORK: AMERICAN NEWS COMPANY.

BOSTON: LEE & SHEPARD.



FROM THE GOLD FIELDS OF THE WEST.

A Most Interesting Book from the Mining Regions.

SECOND EDITION NOW READY.

J. HOLLISTER,

Late Editor and Proprietor of the Colorado Mining Journal.

A Popular Work on Colorado, the aim of which is to give all the information possible about that interesting country.

It is historical, descriptive, and statistical: gives a history of the discovery of gold, the early settlement and development of civilization in the Rocky Mountains; describes the physical peculiarities of the country, its climate and capacity, its resources and productions, especially mining; statistical with regard to the present condition of the mines, the nature of the vein-stones, methods of treatment, names of mining Companies, &c., &c.

450 Pages, Duodecimo, with a large and well-defined Map of the Territory. Cloth, \$2.00.

Sent by mail, post paid, on receipt of price.

SAMUEL BOWLES & COMPANY, Publishers, Springfield, Mass.

A M E R I C A N N E W S C O M P A N Y, N e w Y o r k.

ST. LOUIS BOOK AND NEWS COMPANY, St. Louis.

WESTERN NEWS COMPANY Chicago WESTERN NEWS COMPANY, Chicago. LEE & SHEPARD, Boston.

Mr. Ovando J. Hollister, who, as explorer and editor has for the last six or seven years made his home in Colorado, has just published, through Messrs. Samuel Bowles & Company, of Springfield, a volume containing much valuable information about The Mines of Colorado. It gives in an entertaining form a sketch of the early history of the territory, together with many interesting facts and amusing anecdotes which relieve in a very agreeable manner the dry statistics of the work.—New York Times.

The Mines of Colorado present a full and almost inexplanative account of the present word.

The Mines of Colorado present a full and almost inexhaustive account of the present condition of the Colorado Territory, with glances at its history and the development of mining industry since the discovery of gold in the year 1852. It contains a description of the geography, geology, mineralogy and agriculture of the country, a record of the improvements that have succeeded each other with wonderful rapidity, a list of the principle mining companies, and a statement of the methods of treating ore.—New York Tribune.

There have been better books written about Colorado, but none which contains so much and such minute information. Mr. Hollister has lived in Colorado from its first settlement, and has gathered a wast find of practical knowledge in regard to the history of the development of

has gathered a vast fund of practical knowledge in regard to the history of the development of the mineral resources of that State.—N. Y. Evening Post.

Mr. Hollister's work is a timely one, and will prove of great value to all those about to remove to that region. Makes no pretensions to literary merit, but it is a guide book to every part of Colorado, its means of conveyance, its business, its mode of life, its mines and its men, which we commend to the traveler.—Chicago Tribune.

A good service has been done for Colorado by O. J. Hollister, Esq., for many years an editor there, who has brought out a book full of information in regard to that country, especially its mining interests. This work which is presented in a compact and attractive shape.

its mining interests. This work, which is presented in a compact and attractive shape, seems to be a faithful and truthful account of the country, and will gratify many who have interests there, because while free from the exaggeration in regard to Colorado which has been too prevalent, it nevertheless presents an encouraging account.—New York Stockholder.

To say that this is the best work on Colorado hitherto published, is to say very little, and much less than the truth. Mr. HOLLISTER has done much more than the compilation of paragraphs: he has made use of his experience as an editor his acquaintance with mer and things

graphs; he has made use of his experience as an editor, his acquaintance with men and things in Colorado, his powers of observation and description, in the production of a book which is not merely a catalogue, but a picture. The physical geography, political and industrial history, geology and mineralogy of the Territory, are sketched in an intelligent and skillful manner. The principle mines of Colorado are enumerated and briefly described, apparently with complete impartiality. The author has a perceptible desire to speak well of the mines of that pretty in general but not to advenge any private or particular interests. plete impartiality. The author has a perceptible desire to speak well of the mines of that region in general, but not to advance any private or particular interests.—American Mining Fournal.

HAND-BOOK

OF THE

Internal Revenue

FOR POPULAR USE.

BY

CHARLES N. EMERSON,

COUNS. OR AT LAW AND ASSESSOR TENTH MASSACHUSETTS DISTRICT,
AUTHOR OF "THE INTERNAL REVENUE GUIDE."

SPRINGFIELD, MASS.:
SAMUEL BOWLES & COMPANY.
1868.

Entered according to Act of Congress, in the year 1868, by SAMUEL BOWLES & COMPANY, in the Clerk's Office of the District Court for the District of Massachusetts.

SAMUEL BOWLES AND COMPANY.
ELECTROTYPERS, PRINTERS AND DINDERS,
SPRINGFIELD, MASS.

INTRODUCTORY.

The purpose of the present undertaking is, to present for popular use, a compend and analysis of the system of Internal Revenue. The statutes have become so encumbered with new and modified provisions that no one, not officially connected with their administration and enforcement can be supposed to fully understand them, or their duties and obligations arising under them. The author encouraged by the unexpected success of three several editions of the "Revenue Guide," and the flattering encomiums that work has received from the Revenue Department, and the officials connected with the assessment and collection of the taxes, ventures to address tax-payers themselves, especially.

The system seems to be engrafted upon the industry and resources of the country,—it will, doubtless, in some form, be as permanent as the demand made upon that industry and those resources, to relieve the country from its weight of public debt contracted in a holy cause; but few complaints are made of the loyal duty to cheerfully bear this burden; while much complaint is natural, if the taxes are not fairly and equally assessed. It is manifest that a multitude of false and fraudulent returns are made—it is equally manifest that ignorance of the law and honest misapprehension of its provisions and requirements is a fruitful source of erroneous statements and lists made to the assessor and collector, and a loss to the revenue of taxes legally due.

In this little work, the author will attempt to make a succinct yet comprehensive outline and detail of the system; incorporating with the text a few such authoritative rulings and decisions, illustrative and explanatory of its complicated provisions, as may guide the tax-payer in the performance of his duty under them.

Frequent references are made in the foot-notes to the sections of the various statutes now in force, and various decisions and rulings lately made, and now applicable. They will be found useful to officials and others, more familiar with the administration of the system; but the more especial object of the author is, that the general public, may at a glance, without the embarrassment of voluminous decisions, discover a key to the labyrinth of revenue enactments, and intelligently meet their legal obligations.

CHARLES N. EMERSON.

TABLE OF CONTENTS.

PAGE.	PAGE.
INTRODUCTION,	PASSPORTS,
THE STATUTES, 5	TELEGRAPH COMPANIES, 48
OFFICERS OF THE LAW: THE OFFICERS	THEATERS, ETC., 48
OF THE DEPARTMENT - THE AS-	BANKS AND BANKERS, 48,49
SESSOR AND ASSISTANTS COL-	LOTTERIES, 49
LECTOR AND DEPUTIES-REVENUE	ADVERTISEMENTS, 50
AGENTS AND INSPECTORS, 5-9	LEGACIES AND SUCCESSIONS, 50-53
THE ASSESSMENT OF THE TAXES, . 10-12	STAMP DUTIES AND SCHEDULES, 54-64
THE COLLECTION OF THE TAXES, . 12, 13	GENERAL STATUTES PERTAINING TO
THE ANNUAL TAX,	REVENUE, 64
THE INCOME TAX, 14-19	REMISSION AND ABATEMENT OF TAXES, . 64
MANUFACTURES—GENERAL PROVISIONS, 19	DRAWBACK,
DISTILLED SPIRITS,	MISCELLANEOUS PROVISIONS, 66,67
FERMENTED LIQUORS, 24	CARLISLE TABLES, 69, 70
CIGARS AND TOBACCO, 25-27	TABLE SHOWING SPECIAL TAXES FOR
SPECIAL TAXES (LICENSES), 28-36	FRACTION OF YEAR,
SPECIFIC AND AD VALOREM TAXES, . 37-41	APPENDIX:
ARTICLES EXEMPT FROM TAX, 42-46	DISTILLED SPIRITS AND DISTILLER-
SALES AT AUCTION, 46	IES, (NOTE "A,")
BROKERS, 47	ANUFACTURES AND TAXES AD VA-
GROSS RECEIPTS, 47	LOREM, (NOTE "B,") 74-79
EXPRESS COMPANIES, 47	SECTION 94 IN FULL, (NOTE "C,") 79-82
INSURANCE COMPANIES, 47	INDEX,

HAND-BOOK

THE INTERNAL REVENUE.

The Statutes.

were made on July 13th and 27th, 1866, and March 2d, 1867 (1).

The law has thus been in operation more than five years; it has received extensive alterations and modifications; the decisions and rulings under it have been large in number, and most important in their bearings upon the construction of the statutes, and the administration of the system.

The Officers of the Law.

1. The Commissioner of Internal Revenue and the Deputy Commissioner.—These officers are charged with the general administration of the system, (the latter acting as Commissioner in the absence of that officer.) The Commissioner superintends the collection of the taxes and duties, prepares instructions, regulations, forms, blanks,

(1) Refer to U. S. General Statutes, vol. 12, pp. 292, 432, 489, 560, 588, 632, 713, 731, 737; vol. 13, pp. 223, 306, 42), 469; vol. 14, pp. 2, 4, 98, 301, 371, where will be found these several statutes. Also, to the several digests of the internal revenue, law issued by the Treasury Department.

stamps, etc., provides cotton marks, hydrometers, stamps, dies, and renews the EARLY in the history of the war to sup-same, contracts for the printing of forms press the rebellion, it was perceived by and decisions, etc.: and has the franking Congress that in order to meet the vast privilege. His ruling and decision is final disbursements incident to such a contest, upon all matters pertaining to the law, upon and at the same time meet the ordinary all appeals and references to him by assesexpenses of the Government, it would be sors or other officers. He acts under the necessary to introduce an "excise" or intergeneral direction of the Secretary of the nal revenue system, as wide in its details Treasury, but he is substantially the head and extensive in its operation as the magni-tude of the contest. The first enactment trols this now most important branch of the was made on the 1st of July, 1862, followed revenue service. His salary is six thouduring the same year with explanatory sand dollars, and his office has an assignacts, not now requiring particular notice. ment of clerks made by the Secretary of On the 3d of March, 1863, another statute the Treasury. Upon the re-organization of was enacted, somewhat amendatory, and the office in 1866 two additional deputy generally increasing the rates of tax. On commissioners were appointed, each with June 30, 1864, the system and previous a salary of three thousand dollars, one so-enactments were thoroughly revised; the licitor with a salary of four thousand dol-text of the law re-written; and the same lars, and seven heads of divisions, to which has been made the basis of all subsequent were also assigned over two hundred and amendments, the more important of which twenty clerks, and with a corps of messengers and laborers (2).

> It is made a part of his duty to pay over all monies daily to the United States Treasury, and to render monthly an account of all monies received and paid out (3), or paid to the Treasurer of the United States, and upon the settlement of these accounts by the Auditor and Comptroller to transmit a copy to the Secretary of the Treasury (4), to whom he at all times submits his accounts for inspection. He also gives a bond in one hundred thousand dollars for the faithful performance of his duties a

prescribed (5).

He also has charge of all real estate which has been or shall be assigned, set off, or conveyed, by purchase or otherwise, to the United States, in payment of debts arising under the laws relating to internal revenue, and of all trusts created for the use of the United States, in payment of such debts due them; and, with the ap-

- (2) 1864, § 1. 1866, § 64. (3) 1865, § 3. (4) 1865, § 3. (5) Ibidem.

proval of the Secretary of the Treasury, may sell and dispose of, at public vendue, upon not less than twenty days' notice, lands assigned or set off to the United States in payment of such debts, or vested in them by mortgage or other security, for the payment of such debts; and in eases where real estate has already become the property of the United States by eonveyance or otherwise, in payment of or as security for a debt arising under the laws relating to internal revenue, and such debt shall have been paid, together with the interest thereon, at the rate of one percentum per month, to the United States, within two years from the date of the acquisition of such real estate, it shall be lawful for the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasper year payable quarterly, and commisury, to release by deed, or otherwise consions graded by the amount of collections vey, such real estate to the debtor from in his district; the entire salary and commissions graded by the amount of collections vey. legal representatives (1). As before stated, administration of the system is seen in all its provisions.

2. The Deputy Commissioners are also charged with such duties in the Bureau of Internal Revenue as may be prescribed by the Secretary of the Treasury or as may be required by law, and also have the franking privilege (2). Their annual salary is

twenty-five hundred dollars.

3. Revenue Agents.—The Secretary of the Treasury is authorized to appoint ten revenue agents to aid in the prevention, detection and punishment of frauds upon the internal revenue, whose compensation is not to exceed two thousand dollars each together with their expenses reasonably incurred (3).

The Assessor.

In each of the congressional districts of the United States, or the territories and the District of Columbia, there is commissioned by the President an Assessor of Internal Revenue, whose duties are as extensive and comprehensive as the provisions These will be here stated of the law (4). generally, leaving to their appropriate place, the particular recital of his varied authority in connection with the administration of the system; premising that by him and his assistants is initiated the steps by which the collection of internal revenue is effected.

(1) March 2, 1867. (2) 1866, § 64. 1864, § 3. (3) March 3, 1865, § 1. (4) Act of July, 1862, § 2.

1. He divides his district into convenient sub-divisions within each of which the Seeretary of the Treasury appoints an assist-

ant (5).
2. Before entering upon the performance of his duties, he takes the oath for the

faithful execution of his office.

3. For wilfully neglecting to perform his prescribed duties, or for making false assessments, for receiving fees or rewards not provided by law, or for being guilty of extortion or wilful oppression in office, he shall, upon eonviction, be subject to fine of not exceeding one thousand dollars, be subject to imprisonment, be dismissed from office, and disqualified forever from holding any office under the Government (6).

whom it was taken, or to his heirs or other missions, however, not to exceed four thousand dollars. He is also allowed the reahe has the general charge of internal reversionable sums expended for office rent, after nue matters, and his connection with the the same have been approved by the proper officers of the Treasury (7). He is also allowed his necessary elerks, the allowance for which is arranged and fixed by the Secretary of the Treasury; also for stationery, blank books, postage and such printing as may have been previously approved by the Commissioner. Additional compensation in certain cases is also allowed assessors when the district is larger than the congressional district, and in certain enumerated States where the expense of living and traveling is extraordinary (8). For fraud in the appointment of an assistant assessor, or for accepting any gift, etc., for the settlement of any charge of violation of law, or for other official misconduct he is subjected to severe penalties (9).

> His accounts for services, salary, commission, and other expenditures necessarily made, his bills are made out quarterly and monthly, and rendered severally to the Col-

lector and the Department (10).

He supplies his assistants with blanks and stationery; he furnishes them with the decisions of the department, and superintends the performance of their labors. hears appeals from their assessments; he summons all persons before him who neglect or refuse to render their returns, to give testimony and answer interrogatories; he returns the lists, both annual and month-

(10) Series 3, No. 1, "Instructions to Assessors."

^{(5) 1865, 21.} July 13, 1866, 2 (6) 1866, 29. (7) 1866, 29, 1867, 29. (8) 1866, 22. (9) 1864, 23. March 2, 1867. July 13, 1866, § 9. Jan. 15, 1866.

ly, to the collector duly certified. His office is kept open during the business hours of each day for the hearing of appeals, etc., being bound by the instructions which he ableness of his assistants' accounts, before they are rendered to the collector, and generally has the superintendence of the assessments and business of his district.

reason of death or other cause, the assistant of the division in which the assessor resided, shall act as assessor until the va-

cancy is filled (2).

a sum larger than is due, he is liable to a suit against him for excess, and a deduction from his own compensation (3).

Commissions, etc., are apportioned in case of a new appointment, the aggregate not to exceed the compensation of a single

assessor (4).

No salary or commissions are paid to him without the certificate of the commissioner, that due reports have been received, or satisfactory explanation made of the cause of delay (5).

His official communications to assistants, collectors, etc., are sent free of postage (6).

He directs his assistants on the 1st of March in each year to assess the annual tax, and before the fifteenth of each month to render the monthly returns of manu-The annual lists are by factures, etc. him submitted to the inspection of any and all persons who may apply for that

rurpose.

He hears and determines in a summary way upon all appeals against the proceedings of assistant assessors, such appeals to be made in writing. He re-examines and determines upon assessment and valuation, and rectifies as may be just and reasonable. No assessment is increased without five day's notice. He has power upon appeals to summon and examine witnesses, and cause the production of books, and certify to the costs of the hearing (7).

(1) The officer is bound in honor to reveal nothing in relation to the business of a tax-payer that he may learn in this examination.—Int. Rev. Record, Vol. III, pp. 155, 156, 131.

(2) March 3, 1865, § 1. July 13, 1866, § 9.

(3) March 2, 1867. § 9.

(4) July 13, 1866, § 9.

(5) Ibidem.

(6) July 13, 1866. (7) 1864, § 19. July 13, 1866, § 9.

The Assistant Assessors.

These officers having been duly appointed and commissioned, each by diligent inreceives from Washington. He has full quiry and perambulation, makes himself power to enter any distillery, brewery, fac- familiar with the division to which he is tory, or other place where taxable merchan- assigned, and all taxable persons and proddise or goods are made, produced or depos- ucts therein, and makes out his annual and ited, and to inspect the same, or accounts monthly assessments. These he renders of the same (1.) He certifies to the reason- to the assessor, who revises them, corrects errors, makes additions when necessary, and proper modifications. He is also vested with authority to enter upon premises, and make the necessary examinations of taxa-In case of a vacancy in his office by ble property, the books and accounts of products, and test the accuracy of the returns that are made. His compensation is five dollars per day for every day employed in the performance of his duties, and twenty-For approving any assistant's account for five cents for each permit to the makers of tobacco, snuff and cigars, together with his reasonable charges for stationery, blank books, and postage actually paid in official His bills for these items are albusiness. lowed when duly certified by the assessor, and verified by oath or affirmation (8).

He is also allowed the franking privilege

in communications to his principal.

On the failure of a person to make his return, but who consents to disclose the particulars of property, etc., liable to tax, the assistant shall make the proper list in his behalf, which being consented to, is re-

ceived as the list of such person (9).

In case a person shall be absent from his residence or place of business when the assistant assessor calls for the annual list, and no such return has been made, said assistant leaves a notice requiring such list to be made within ten days. And if any person, on being notified or required as aforesaid, shall refuse or neglect to render such list or return within the time required as aforesaid, or if any person without notice, as aforesaid, shall not deliver a monthly or other list or return at the time required by law, or if any person shall deliver or disclose to any assessor or assistant assessor any list, statement, or return which, in the opinion of the assessor, is false or fraudulent, or contains any understatement or undervaluation, it shall be lawful for the assessor to summon such person, his agent, or other person having possession, custody, or care of books of account containing entries relating to the trade or business of such person, or any other person he may deem proper, to appear before such assessor and produce such book, at a time and place

^{(8) 1864. § 12.} March 2, 1867, § 1. (9) 1864, § 13.

therein named, and to give testimony or answer interrogatories under oath or affirm- duties of his office he executes a bond to ation respecting any objects liable to tax as the United States, for the faithful performaforesaid, or the lists, statements, or returns thereof, or any trade, business, or profession liable to any tax as aforesaid. And the assessor may summon, as aforesaid, any person residing or found within the State in which his district is situated. such State, the assessor may enter any collection district where such person may be found, and there make the examination hereinbefore authorized. And to this end he shall there have and may exercise all the power and authority he has or may law-The summons authoris commissioned. ized by this section shall in all cases be served by an assistant assessor of the district where the person to whom it is directed may be found, by an attested copy delivered to such person in hand or left at his last and usual place of abode, allowing such person at the rate of one day for each twenty-five miles he may be required to travel, computed from the place of service such deputy (6). to the place of examination; and the certificate of service signed by such assistant teen hundred dollars per year, as salary, to assessor shall be evidence of the facts it be paid quarterly. He is also allowed a states on the hearing of an application for an attachment; and when the summons requires the production of books, it shall be sufficient if such books are described with reasonable certainty. In case any person so summoned shall neglect or refuse to obey such summons, or to give testimony, or to answer interrogatories as required, it shall be lawful for the assessor to apply to the judge of the district court or to a commissioner of the circuit court of the United States for the district within which the person so summoned resides for an attachment against such person as for a contempt (1).

The Collector and his Deputies.

A collector is appointed in each congressional district of the United States, who must be a resident within the same. A provision is, however, made for incorporating any of the States or territories into one district, and for the appointment of additional collectors in California, not, however, to exceed the aggregate number of senators and representatives. There are, also, additional collectors commissioned in New York City and elsewhere, to meet the necessities of populous and wealthy localities (2).

1. Before the collector enters upon the ance of his duties, subject to renewal and increase (3).

2. He appoints as many deputies as he deems proper, or revokes their appointments (4).

3. He may require bonds or sureties when the person intended to be summoned from these deputies, but he is personally redoes not reside and cannot be found within sponsible for their acts and for every omission of duty. In case of the sickness or temporary disability of the collector, he may devolve his official duties upon any one of these deputies, for which he is also re-

sponsible to the United States (5).

In case of the death or vacancy in the fully exercise in the district for which he office of collector, the deputy longest in service shall discharge the duties of such collector until the vacancy is filled, the official bond of the latter being held for any default of the deputy. The Secretary of the Treasury may, however, designate some new deputy to act. The bond or security taken from the deputy by the collector is available to legal representatives and sureties in case of loss, etc., from the acts of

4. The compensation of collectors is fifcommission of three per centum upon the first hundred thousand dollars, and a commission of one per centum upon all sums above one hundred thousand dollars and not exceeding four hundred thousand dollars, and a commission of one-half of one per centum on all sums above four hundred thousand dollars and not exceeding one million of dollars, and one-eighth of one per centum on all sums above one million of dollars, such commissions to be computed upon the amounts by them respect ively collected and paid over and accounted for under the instructions of the Treasury And there shall be further Department. paid, after the account thereof has been rendered to and approved by the proper officers of the treasury, to each collector his necessary and reasonable charges for advertising, stationery, and blank books used in the performance of his official du ties, and official postage after the accountist properly verified. The Secretary may also make further allowances in proper cases (7).

5. It also should be noted, that the fisca

^{(1) 1864, §14.} March 3, 1865, § 1, July 13, 1866, § 9. (2) July 11, 1862.

^{(3) 1864, § 9.} (4) Ihidem, § 10. (5) Ihidem.

^{(6) 1864. \$2 39, 40.} (7) 1864. \$25. March 3, 1865, \$1.

year is to be observed in adjusting his accounts for services, and in case of two officers in the same year the commissions are to be apportioned. All payments of salary or commissions are made upon the certificate of the commissioner that all reports, etc., required by law have been duly received, or satisfactory explanation made of the cause of the delay (1).

6. The collector makes triplicate receipts of all annual, monthly or special lists received from the assessors, which receipts are delivered up to the assessor for his files, and for transmission to the Commissioner and the first Comptroller of the Treasury (2).

7. Collectors failing to account for taxes due are liable to a warrant of distress issued by the solicitor of the Treasury, and a seizure and sale of the property thereupon, by the marshal of the district. The manner and effect of sale is fully set forth in the statute (3).

8. For extortion or wilful oppression in his office, or for receiving unlawful fees, or for accepting any gift for settlement of any charge of a violation of law, the collector is subject to the severe penalties of the

statute (4).

9. Collectors are also authorized to enter breweries, distilleries, and other places where goods, etc., are manufactured, to inspect the same and their books, etc., and may seize goods held by any person with intent to evade the law, and deliver the same to the United States for the district (5).

10. One of them shall be designated by the Secretary of the Treasury to have charge of all matters relating to the exportation of articles subject to tax under the internal revenue laws. Also in relation to all matters of exportation and draw-

11. When collectors employ counsel in suits upon information for penalties or forfeitures, in the courts of the United States, their fees shall not be allowed in settlement of their account unless such employment was authorized by the Commissioner of Internal Revenue, either expressly or by general regulations (7).

12. (a) They keep record of sales of real (b) Transmit lists to estate for taxes. other collectors for collection. (c) Transmit monthly statements of collections to the Commissioner. (d) Pay collections into

(1) 1864, 23 25, 26. March 3, 1865, 2 1. July 13, 1866, 2 9.
(2) 1864, 2 27.
(3) Stat. 1864, 3 36. Stat. March 3, 1867.

(4) Stat. 1864, § 35.

(5) 1864, § 37. (6) March 3, 1865. July 13, 1866, § 20. (7) July 13, 1866, § 9.

the treasury daily. (e) Act as disbursing agents, and give bonds as such. (f) Collect taxes and render final account when required. (g) Are credited with taxes of insolvent persons. (h) May seize goods held by any person with intent to evade the law. (i) May take possession of property taxed when no person is in possession (8).

Revenue Agents and Inspectors.

These agents are appointed to aid under the direction of the Secretary of the Treasury, in the prevention, detention, and pun-ishment of frauds upon the internal revenue, and in the enforcement of the collection thereof (9).

Their compensation shall be such as the Secretary of the Treasury may deem just and reasonable, not exceeding, however, two thousand dollars per annum, in addition to the expenses necessarily incurred

by them (10).

The inspectors are appointed in such districts as may be deemed necessary for the proper enforcement of the revenue laws, etc., the detection of frauds, and are subject to the rules and regulations of the Secretary, with all necessary powers for the performance of their duty. Their compensation is four dollars per day and their just and proper traveling expenses (11).

For demanding or receiving unlawful fees or rewards, or for extortion or wilful oppression in office, they are subject to a fine of not exceeding one thousand dollars, and imprisonment not exceeding one year, or both, dismissal from office, and disqualification from afterwards holding any office

under the United States (12).

Special Commissioner of Revenue.

By the act of July 13, 1866, the Secretary of the Treasury was authorized to appoint an officer in his department, styled "The Special Commissioner of the Revenue," his office terminating July 1, 1870. His duty is to inquire into all the sources of national revenue, and the best methods of collecting the revenue; the relations of foreign trade to domestic industry; the mutual adjustment of the systems of taxation by customs and excise, with the view of insuring the requisite revenue with the least disturbance or inconvenience to the progress of industry and the development

(8) Vide Instructions, Series 3. No. 1. Revised Law passim. title, "Collection of Tax."
(9) Stat. 1864, § 4.

(10) Ibidem. (11) Ibidem. § 5. (12) Ibidem, § 5.

quire, from time to time, under the direc- same to the collector on or before the 30 tion of the Secretary of the Treasury, into day of April. (This is the requirement the manner in which officers charged with but in the large districts this is hardly the administration and collection of the complished and further time is genera revenues perform their duties. And the allowed by permission of the department said Special Commissioner of the Revenue and annual taxes are entered upon so shall from time to time report, through the monthly list.) Secretary of the Treasury, to Congress, either in the form of a bill or otherwise, such modifications of the rates of taxation or of the methods of collecting the revenues, and such other facts pertaining to the trade, industry, commerce, or taxation of the country, as he may find, by actual observation of the operation of the law, to be conducive to the public interest; and, in order to enable the Special Commissioner of the Revenue to properly conduct his investigations, he is hereby empowered to examine the books, papers, and accounts of any officer of the revenue, to administer oaths, examine and summon witnesses, and take testimony; and each and every such person falsely swearing or affirming shall be subject to the penalties and disabilities prescribed by law for the punishment of corrupt and wilful perjury; and all officers of the government are hereby required to extend to the said Commissioner all reasonable facilities for the collection of information pertinent to the duties of his office. And the said Special Commissioner shall be paid an annual salary of four thousand dollars, and the traveling expenses necessarily incurred while in the discharge of his duty; and all letters and documents to and from the Special Commissioner relating to the duties and business of his office shall be transmitted by mail free of postage.

The country has reaped inestimable advantages from the labors of the present incumbent of the office, Hon. David A. Wells, in an intelligent discrimination in the assessment of the internal revenue, on the various subjects of taxation, and philosophical and exhausting discussion of the various topics pertaining thereto.

The Assessment of the Taxes.

The general machinery for the assessment of taxes has been in part detailed in stating the duties of the assessor and his

It will be perceived that the lists of assessments include the annual, the monthly

and the special lists.

1. "The Annual List," includes the annual tax upon income, articles in Schedule A, and the special taxes (formerly styled "licenses") dating from May 1 in each The list must be completed and forwarded to the assessor on or before the last

of the resources of the country; and to in- day of March, the assessor delivering t

2. The Monthly Lists which include t taxes, ad valorem or specific, (not include in the annual,) which properly belong the monthly list, all quarterly returns, a those for which no special provision made. All these returns which can be o lected by the fifteenth day of the mon are put upon the monthly list, and forwa The latter must deli ed to the assessor. the same to the collector on or before

twentieth of each month (1).

3. Special Lists. These at the discret of the assessors, or when the tax-payer quests it, (for immediate payment,) shall made out and forwarded at any period the month (2). (This is the case freque ly with those persons who wish to pay th special taxes at once, and procure a rece which authorizes them to commence by ness) (3).

It will not be forgotten that it is ma the duty of all persons to declare in the returns or lists whether the sales amounts therein contained are stated legal tender currency, or according to amounts in coined money. This is und penalty for neglect or refusal. And all turns, etc., stated in coin, will be redu by the assessor to legal tender currency

In case there is found taxable prope in a division owned by a non-resident which no list has been made, the assist assessor may enter upon the premises wh it is contained and make lists of the sa

in the prescribed form (5).

A person having taxable property in other district, may make a return in district where he resides, and the assisassessor transmits the list to such other trict for examination, and if approved, returned, or alterations are made, an becomes a good and sufficient return (6

All the lists, whether annual, monthly special, are to be taken with reference to day fixed by law; and after being collec are arranged into two alphabetical l showing respectively residents and a residents, and the taxes to which each

(1) July 13, 1866, § 66. (2) Department Series 3, No. 1.

(3) Ibidem. (4) March 10, 1866. July 13, 1866, § 9, (bis.) (5) 1864, § 16.

(5) 1864, § 16. (6) 1864, § 17.

son is liable. The forms are prescribed by the Commissioner, and are known as

"Form 23" (1).

It was provided by statute of March 2, 1867 that the Commissioner may appoint one or more assistant assessors to make assessments in any part of a collection district upon specified objects of taxation, and to him all other assistants shall report all matters thus specially designated for him to make the due assessment. When two or more districts are embraced in one county, such special assistant may make assessments on the specified objects of taxation anywhere in the county as may be required by the Commissioner (2).

The assessor for each collection district shall give notice by advertisement in one newspaper published in each county within said district, and if there be none published in the district, then in a newspaper published in the collection district adjoining thereto, and shall post notices in at least four public places within each assessment district, and shall mail a copy of such notice to each postmaster in his district, to be posted in his office, stating the time and place within said collection district when and where appeals will be received and determined relative to any erroneous or excessive valuations, assessments, or enumerations by the assessor or assistant assessor returned in the annual list, and such notice shall be advertised and posted by the assessor and mailed as aforesaid at least ten days before the time appointed for hearing said appeals (3).

The said list shall then and there be submitted to the inspection of all persons who may apply for that purpose, and the assessor determines in a summary way, upon all ap-

peals from his assistants (4).

No appeal is allowed to a party after he has been duly assessed, and the list has been sent to the collector (5).

All appeals shall be in writing, and shall

state the ground of appeal (6).

The assessor may re-examine lists, and correct the assessments as may be just and fifteen months from the time of the pas-

reasonable (7).

The assessor of each collection district shall, immediately after the expiration of time for hearing appeals concerning taxes returned in the annual list, and from time to time, as taxes become liable to be assessed, make out lists containing the sums

(1) 1864, § 18. (2) 1867, § 6. (3) 1864, § 19.

payable according to law upon every subject of taxation for each collection district; which list shall contain the name of each person residing within the said district, or owning or having the care or superintend-ence of property lying within the said district, or engaged in any business or pursuit which is liable to any tax, when such person or persons are known, together with the sums payable by each; and where there is any property within any collection district liable to tax, not owned or occupied by or under the superintendence of any person resident therein, there shall be a separate list of such property, specifying the sum payable, and the names of the respective proprietors when known. the assessor making out any such separate list shall transmit to the assessor of the district where the persons liable to pay such tax reside, or shall have their principal place of business, copies of the list of property held by persons so liable to pay such tax, to the end that the taxes assessed under the provisions of this act may be paid within the collection district where the persons liable to pay the same reside or may have their principal place of business. And in all other cases the said assessor shall furnish to the collectors of the several collection districts, respectively, within ten days after the time of hearing appeals concerning taxes returned in the annual list, and from time to time thereafter as required, a certified copy of such list or lists for their proper collection districts. in case it shall be ascertained that the annual list, or any other list, which may have been, or which shall hereafter be, delivered to any collector, is imperfect or incomplete in consequence of the omission of the names of any persons or parties liable to tax, or in consequence of any omission, or understatement, or undervaluation, or false or fraudulent statement contained in any return or returns made by any persons or parties liable to tax, the said assessor may, from time to time or at any time within sage of this act or from the time of the delivery of the list to the collector as aforesaid, enter on any monthly or special list the names of such persons or parties so omitted, together with the amount of tax for which they may have been or shall become liable, and also the names of the persons or parties in respect to whose returns, as aforesaid, there has been or shall be any omission, undervaluation, understatement, or false or fraudulent statement, together with the amounts for which such persons or parties may be liable, over and above

July 13, 1866, § 9. (4) Ibidem.

⁽⁵⁾ Ibidem. Ibidem.

⁽⁷⁾ Ibidem.

the amount for which they may have been, or shall be, assessed upon any return or returns made as aforesaid, and shall certify or return said list to the collector as required by law (1).

The Collection of the Taxes.

1. Within twenty days after receiving his annual list from the assessor, the collector gives notice to all tax-payers by newspaper publications and posted notices, that the taxes have become due and payable, stating also the time when he will be ready to receive the same, which notice shall be not less than ten days from the date of the notification (2).

2. In case of neglect to pay the tax due the collector shall give notice personally or by mail, demanding such payment, and twenty cents for the notice, with four cents

per mile, travel fee (3).

3. If taxes are not paid within ten days after such demand, a penalty of five per

cent. is added (4).

4. With respect to taxes not included in the annual lists, the collector gives notice within ten days after receiving the list, or within twenty days after the expiration of the time within which the tax should have been paid (5).

5. Upon non-payment of these or the annual taxes, the collector may make distraint and sale of the goods and effects of

the delinquent (6).

6. In case of distraint, it shall be the duty of the officer charged with the collection to make, or cause to be made, an account of the goods or effects distrained, a copy of which, signed by the officer making such distraint, shall be left with the owner or possessor of such goods or effects, or at his or her dwelling or usual place of business; with some person of suitable age and discretion, if any such can be found, with a note of the sum demanded, and the time and place of sale; and the said officer shall forthwith cause a notification to be published in some newspaper within the county wherein said distraint is made, if there is a newspaper published in said county, or to be publicly posted at the post office, if there be one within five miles, nearest to the residence of the person

whose property shall be distrained, and in not less than two other public places, which notice shall specify the articles distrained, and the time and place for the sale thereof, which time shall not be less than ten nor more than twenty days from the date of such notification to the owner or possessor of the property and the publication or posting of such notice as herein provided, and the place proposed for sale shall not be more than five miles distant from the place of making such distraint. And said sale may be adjourned from time to time by said officer, if he shall think it advisable to do so, but not for a time to exceed in all thirty days. And if any person, bank, association, company, or corporation, liable to pay any tax, shall neglect or refuse to pay the same after demand, the amount shall be a lien in favor of the United States from the time it was due until paid, with the interest, penalties, and costs that may accrue in addition thereto, upon all prop erty and rights to property belonging to such person, bank, association, company or corporation; and the collector, after de mand, may levy, or by warrant may au thorize a deputy collector to levy, upon al property and rights to property belonging to such person, bank, etc., in which the lier exists, for the payment of the sum due with interest and penalty, fees and costs (7).
7. The effect of the certificate of sale

shall be, to transfer the interest of the de

linquent in the property sold (8).

8. All books relating to the subject of the distraint must be exhibited on de mand (9).

9. Goods distrained for taxes may be re stored to the owner if the taxes are paid be fore sale; otherwise they are sold at auction and the taxes, penalties, commissions, etc. are taken from the proceeds of such sale and the balance returned to the person en

titled to the same (10).

10. The following property is exemp from distraint for taxes, if belonging to the head of a family, viz: The school book and wearing apparel necessary for such family; also arms for personal use, one cow two hogs, five sheep and the wool thereof provided the aggregate market value of said sheep shall not exceed fifty dollars the necessary food for such cow, hogs, and sheep for a period not exceeding thirty days; fuel to an amount not greater in value than twenty-five dollars; provision

July 13, 1866, § 9.

March &

^{(1) 1864, § 20.} Consult also § 12, 13, 14, 15, 16, 17, 18. 19, of the act of 1864. Also March 2, 1867, § 1. March 3, 1865, § 1. July 13, 1866, § 9. (2) 1864, § 28, March 3, 1865, § 1. July 13, 1866, § 9. 11. March 2, 1867, § 8. (3) Ibidem. (4) Ibidem. (5) Ibidem

Ibidem. (6) Ibidem.

^{(7) 1864, § 28.} 1867, § 8. (8) Ibidem. 9) Ibidem.

⁽¹⁰⁾ Ibidem.

to an amount not greater than fifty dollars: household furniture kept for use to an amount not greater than three hundred dollars; and the books, tools, or implements of a trade or profession to an amount not greater than one hundred dollars shall also be exempt; and the officer making the distraint shall summon three disinterested house-holders of the vicinity, who shall appraise and set apart to the owner the amount of property herein declared to be exempt (1).

11. In case any tax is not duly paid when payable, the collector shall make proper de mand, and if not paid within ten days after the demand, distraint shall be made as aforesaid and five per cent. shall be added as a penalty, with interest at the rate of one per cent. a month from the time when the same became due, excluding portions of a

month (2).

12. In case when property is indivisible. the whole may be sold, and the surplus, after satisfying the taxes, penalties and costs and charges, shall be paid to the person entitled to the same, or if he cannot be found, deposited in the treasury (3).

13. If the amount bid for the property is not equal to the amount of tax, etc., the property may be bid in for the United States, and subsequently sold by the collector, under regulations prescribed by the

Commissioner (4).

14. When goods and chattels are not found sufficient to satisfy the taxes, real estate may be seized and sold after due notice and advertisement of time and place of sale. The manner of such seizure and sale is specifically set forth in § 30 of law of 1864, and may be referred to. A certificate of the sale is given to the purchaser, to be surrendered and deed given. (if the property is not redeemed) in accordance with State laws (5).

The owner may redeem before the sale. upon satisfaction of the taxes due and costs

and fees (6).

15. The collector may seize and sell other land in any other district of the

State (7).

16. In all sales by the collector of lands, full record of such sales shall be made duly certified, and in case of the death or removal of the collector, the record shall be delivered to his successor, and be evidence in any court. Record shall also be duly made of the redemption of such lands (8).

17. Other property may be seized and sold by the collector when the tax is not

satisfied (9).

18. If a collector shall find in his district property charged with a specific tax which is not paid, such property not being owned by a person resident, or having a place of business in the United States, it may be seized, distrained and sold in the same manner as other distrained property (10).

19. A collector may transmit lists to another district, where a person liable to tax, resides, or where he has property, for the purpose of having the taxes due collected. The collector in such other district shall proceed to collect the tax, and transmit a receipt for the same to the officer sending

the same to him (11).

20. At the end of every month collectors shall transmit a statement of their collections to the Commissioner, and pay over monthly or as often as may be required, the monies collected. And the same shall be deposited for safe keeping in certain designated depositaries, under specified regu-

lations (12).

21. Each collector is charged with the amount of all lists delivered to him-with the par value of all stamps deposited with him—for all passports, penalties, forfeitures, fees or costs. He shall also be credited with all stamps returned uncancelled—with the amount of all lists transmitted to other collectors—with the taxes of persons absconded or insolvent and all other uncollectable taxes, due diligence having been used. He is also credited with the amount of all property purchased by him for the United States, accounting for the proceeds of a re-sale (13).

22. All lists and accounts of taxes uncollected are transferred to his successor for

collection (14).

The Annual Tax.

This list includes the taxes upon incomes, the articles in schedule A, and the special taxes (formerly licenses) from May 1. It is the duty of each assistant assessor to complete his annual list, and forward it to his principal on or before the last of March,

^{(1) 1864, § 28.} (2) 1867, § 8. (3) 1864, § 29. (4) 1864, § 29. (5) 1864, § 30. (6) Ibidom July 13, 1866, § 9.

July 13, 1866, ≥ 9.

⁶⁾ Ibidem. (7) Ibidem.

⁽⁸⁾ Ibidem. (9) Ibidem.

^{(10) 1864, § 30.} (11) 1864, § 32.

⁽¹²⁾ Ibidem. § 33, March 3, 1865, § 3. (13) 1864. § 34.

⁽¹⁴⁾ Ibidem.

the latter forwarding it to the collector be-

fore the 30th of April (1).

Within twenty days after receiving the annual list from the assessor the collector must advertise in one newspaper in each county in his district, and by notices to be posted in at least four public places, and mailed to every postmaster in each county, stating the time and place within said county at which he or his deputy will attend to receive the duties, which time must not be less than ten days after the publica. tion of said notice.

At the expiration of ten days from the advertised time, it is the duty of the collector to serve demands upon all persons who have neglected to make payment. Form 9 has been prepared for this purpose, and for the issuing and service thereof the collector is entitled to a fee of twenty cents, and to four cents for each mile actually and necessarily traveled in serving the same. No travel fee can be charged when the notice is sent by mail, and none for the distance traveled in returning, when personal service is made.

If payment is not made within ten days after the service of demand the collector will proceed to collect the duties, with the penalty of five per centum, interest at the rate of one per cent. per month, and the proper costs and expenses by distraint. No interest is required for a fraction of a month (2).

The following taxes, dating from said 1st of May are paid by all persons possessing the same, and the tax is a lien upon such

articles until paid (3).

Schedule A.

Carriage, phæton, carryall, rockaway, or other like carriage, and any coach, hackney coach, omnibus, or four-wheeled carriage, the body of which rests upon springs of any description, which may be kept for use for him or for passengers. kept for use, for hire, or for passengers, and which shall not be used exclusively in husbandry or for the transportation of merchandise, valued at exceeding three hundred dollars and not above five hun-five hundred dollars, each, ten dollars, . 10 00 On gold watches, composed wholly or in part of gold or gilt, kept for use, valued at one hundred dollars or less, each, one dollar, 1 00 On gold watches, composed wholly or in part of gold or gilt, kept for use, valued at above one hundred dollars, each, two 2 00 Billiard tables kept for use, each, ten dol-. 10 00 lars,

(1) Series 3, No. 1.

(2) Ibidem. Ante page 12. (3) July 13, 1866, § 9. March 2, 1867, § 1.

Provided, That billiard tables kept for hire and upon which a special tax has been imposed shall not be required to pay the tax on billiard tables kept for use, as aforesaid, anything herein contained to the contrary notwithstanding.

50

used by one family to an amount not exceeding forty ounces troy belonging to any one person plate belonging to religious societies, and souv enirs and keepsakes actually given and received as such and not kept for use; also al premiums awarded as a token of merit by any agricultural society, corporation, or association of persons, for any purpose whatever, shall be exempt from tax (4).

The Income Tax.

The provisions of the income tax upor individuals, and the tax due annually fron banks, insurance companies, etc., upon the dividends declared by them, are so impor tant and are so succinctly set forth in the language of the statute, that it is deemed best to set them forth in full. They are a follows (5):

Income.

There shall be levied, collected, and paid an nually upon the gains, profits, and income of every person residing in the United States, or of any citizen of the United States residing abroad whether derived from any kind of property rents, interest, dividends, or salaries, or fron any profession, trade, employment, or vocation carried on in the United States or elsewhere, o from any other source whatever, a tax of five pe centum on the amount so derived over one thousand dollars, and a like tax shall be levied collected, and paid annually upon the gains profits, and income of every business, trade, or profession carried on in the United States by persons residing without the United States, and not citizens thereof. And the tax herein profits the content of the state of t vided for shall be assessed, collected, and paid

upon the gains, profits, and income for the year ending the thirty-first day of Decembe next preceding the time for levying, collecting and paying said tax (6).

That, in estimating the gains, profits, and income of any person, there shall be included all income derived from interest upon notes bonds, and other securities of the United States profits realized within the year from sales of realized. profits realized within the year from sales of rea estate purchased within the year or within two years previous to the year for which income is estimated, interest received or accrued upor all notes, bonds, and mortgages, or other forms of indebtedness bearing interest, whether paid or not, if good and collectable, less the interest which has become due from said persor during the year; the amount of all premium or gold and coupons; the amount of sales of live stock, sugar, wool, butter, cheese, pork, beef mutton, or other meats, hay and grain, or other vegetable or other productions, being the growth or produce of the estate of such person not in or produce of the estate of such person, not in. cluding any part thereof consumed directly by

(4) For assessment of this tax see pages 10, 11, 12, supra. (5) March 2, 1867, § 13. (6) July 13, 1866, § 9. 1864, § 116.

the family; all other gains, profits, and income derived from any source whatever, except the rental value of any homestead used or occupied by any person or by his family in his own right or in the right of his wife; and the share of any person of the gains and profits of all companies, whether incorporated or partnership, who would be entitled to the same, if divided, whether divided or otherwise, except the amount of income received from institutions or corporations whose officers, as required by law, withhold a percentum of the dividends made by such institutions, and pay the same to the officer authorized to receive the same; and except that portion of the salary or pay received for services in the civil, military, naval, or other service of the United States, including senators, representatives, and delegates in Congress, from which the tax has been deducted. And in addition to one thousand dollars exempt from income tax as hereinbefore provided, all national, state, county, and municipal taxes paid within the year, shall be deducted from the gains, profits, or income of the person, who has actually paid the same, whether such persons be owner, tenant, or mortgager; losses actually sustained during the year arising from fires, shipwreck, or incurred in trade, and debts ascertained to be worthless, but excluding all estimated depreciation of values and losses within the year on sales of real estate purchased two years previous to the year for which income is estimated; the amount actually paid for labor or interest by any person who rents lands or hires labor to cultivate land, or who conducts any other business from which income is actually derived; the amount actually paid by any person for the rent of the house or premises occupied as a residence for himself or his family; the amount paid out for usual or ordinary repairs: Provided, That no deduction shall be made for any amount paid out for new buildings, permanent improvements, or betterments, made to increase the value of any property or estate; And provided further, That only one deduction of one thousand dollars shall be made from the aggregate income of all the members of any family com-posed of one or both parents, and one or more minor children, or husband and wife; that guar-dians shall be allowed to make such deduction in favor of each and every ward, except that in case where two or more wards are comprised in one family, and have joint property interest, only one deduction shall be made in their favor: And provided further, That in cases where the salary or other compensation paid to any person in the employment or service of the United States shall not exceed the rate of one thousand dollars per annum, or shall be by fees, or uncertain or irregular in the amount or in the time during which the same shall have accrued or been earned, such salary or other compensation shall be included in estimating the annual gains, profits, or income of the person to whom the same shall have been paid (1).

That it shall be the duty of all persons of lawful age to make and render a list or return, on or before the day prescribed by law, in such form and manner as may be prescribed by the Commissioner of Internal Revenue, to the assistant assessor of the district in which they reside, of the amount of their income, gains, and profits, as aforesaid; and all guardians and trustees, executors and administrators, or any person acting in any other fiduciary capacity, shall make and render a list or return, as aforesaid, to the assistant assessor of the district in

which such person acting in a fiduciary capacity resides, of the amount of income, gains, and profits of any minor or person for whom they act; and the assistant assessor shall require every list or return to be verified by the oath or affirmation of the party rendering it, and may increase the amount of any list or return; if he has reason to believe that the same is understated; and in case any such person shall neglect or refuse to make and render such list or return, or shall render a false or fraudulent list or return, it shall be the duty of the assessor or the assistant assessor to make such list, according to the best information he can obtain, by the examination of such person, or his books or accounts, or any other evidence, and to add fifty per centum as a penalty to the amount of the tax due on such list in all cases of wilful neglect or refusal to make and render a list or return, and, in all cases of a false or fraudulent list or return having been rendered, to add one hundred per centum, as a penalty, to the amount of tax ascertained to be due, the tax and the additions thereto as a penalty to be assessed and collected in the manner provided for in other cases of wilful neglector refusal to render a list or return, or of rendering a false and fraudulent return: *Provided*, That any party, in his or her own behalf, or as such fiduciary, shall be permitted to declare, under oath or affirmation, the form and manner of which shall be prescribed by the Commissioner of Internal Revenue, that he or she, or his or her ward or beneficiary, was not possessed of an income of one thousand dollars, liable to be assessed according to the provisions of this act; or may declare that he or she has been assessed and paid an income tax elsewhere in the same year under authority of the United States, upon his or herincome, gains, and profits, as prescribed by law; and if the assistant assessor shall be satisfied of the truth of the declaration, shall thereupon be exempt from income tax in the said district; or if the list or return of any-party shall have been increased by the assistant assessor, such party may exhibit his books and accounts, and be permitted to prove and declare, under oath or affirmation, the amount of income liable to be assessed; but such oaths and evidence shall not be considered as conclusive of the facts, and no deductions claimed in such cases shall be made or allowed until approved by the assistant assessor. Any person feeling aggrieved by the decision of the assistant assessor, in such cases may appeal to the assessor of the district, and his decision thereon, unless reversed by the Commissioner of Internal Revenue. shall be final, and the form, time, and manner of proceedings shall be subject to rules and regulations to be prescribed by the Commissioner of Internal Revenue: Provided further. That no penalty shall be assessed upon any person for such neglect or refusal, or for making or rendering a false or fraudulent return, except after reasonable notice of the time and place of hearing, to be regulated by the Commissioner of Internal Revenue, so as to give the person charged an opportunity to be heard (2).

That the taxes on incomes herein imposed shall be levied on the first day of March, and be due and payable on or before the thirtieth day of April, in each year, until and including the year eighteen hundred and seventy, and no longer; and to any sum or sums annually due and unpaid after the thirtieth of April as aforesaid, and for ten days after notice and demand

thereof by the collector, there shall be levied in addition thereto the sum of five per centum on the amount of taxes unpaid, and interest at the rate of one per centum per month upon said tax from the time the same became due, as a penalty, except from the estates of deceased, insane or insolvent persons: Provided, That the tax on incomes for the year eighteen hundred and sixty-six shall be levied on the day this act takes effect (1).

That there shall be levied and collected a tax of five per centum on all dividends in serie or

of five per centum on all dividends in scrip or money thereafter declared due, wherever and whenever the same shall be payable to stockholders, policy-holders, or depositors or parties whatsoever, including non-residents, whether citizens or aliens, as part of the earnings, income, or gains of any bank, trust company, savings institution, and of any fire, marine, life, inland insurence, company inland insurance company, either stock or mutual, under whatever name or style known or called, in the United States or territories, whether specially incorporated or existing under general laws, and on all undistributed sums, or sums made or added during the year to their surplus or contingent funds; and said banks, trust companies, savings institutions, and insurance companies shall pay the said tax, and are hereby authorized to deduct and withhold from all payments made on account of any dividends or sums of money that may be due and remains or sums of money that may be due and payable as aforesaid the said tax of five per centum. And a list or return shall be made and rendered to the assessor or assistant assessor on or before the tenth day of the month following that in which any dividends or sums of money become due or payable as aforesaid; and said list or return shall contain a true and faithful account of the amount of taxes as aforesaid; and there be annexed thereto a declaration of the president, cashier, or treasurer of the bank, trust company, savings institution, or insurance company, under oath or affirmation, in form and manner as may be prescribed by the Commissioner of Internal Revenue, that the same contains a true and faithful account of the taxes as aforesaid. And for any default in the making or rendering of such list or return, with such declaration annexed, the bank, trust company, savings institution, or insurance company making such default shall forfeit as a penalty the sum of one thousand dollars; and in case of any default in making or rendering said list or return, or of any default in the payment of the tax as required, or any part thereof, the assessment and collection of the tax and papelty shall be in and collection of the tax and penalty shall be in accordance with the general provisions of law in other cases of neglect and refusal: Provided, That the tax upon the dividends of life insur-ance companies shall not be deemed due until such dividends are payable; nor shall the portion of premiums returned by mutual life insurance companies to their policy-holders, nor the annual or semi-annual interest allowed or paid to the depositors in savings banks or savings institutions, be considered as dividends (2).

That any bank legally authorized to issue notes as circulation which shall neglect or omit to make dividends or additions to its surplus or contingent fund as often as once in six months, shall make a list or return in duplicate, under oath or affirmation of the president or cashier, to the assessor or assistant assessor of the dis-January and July in each year, or within thirty days thereafter, of the amount of profits which

(1) 1864, 2 119. March 2, 1867. (2) 1864, 2 120. March 2, 1867.

have accrued or been earned and received b said bank during the six months next preced ing said first days of January and July; an shall present one of said lists or returns an pay to the collector of the district a duty of fiv per centum on such profits, and in case of de fault to make such list or return and paymen within the thirty days, as aforesaid, shall be subject to the provisions of the foregoing section of this act: *Provided*, That when any dividence is made which includes any part of the surplu-or contingent fund of any bank, trust company savings institution, insurance or railroad com-pany, which has been assessed and the duty paid thereon, the amount of duty so paid on that portion of the surplus or contingent fund may be deducted from the duty on such dividend (3) pay to the collector of the district a duty of fiv

be deducted from the duty on such dividend (3)
That any railroad, canal, turnpike, canal navigation, or slackwater company indebted for any money for which bonds or other evidence of indebtedness have been issued, payable in one or more years after date, upon which interest is stipulated to be paid, or coupons representing the interest, or any such company that may have declared any dividend in scrip or money due or payable to its stockholders, including non-residents, whether citizens or aliens, as part of the earnings, profits, income, or gains part of the earnings, profits, income, or gains of such company, and all profits of such company carried to the account of any fund, or used for construction, shall be subject to and pay a tax of five per centum on the amount of all such interest, or coupons, dividends, or profits, whenever and wherever the same shall be payable, and to whatsoever party or person the same may be payable, including non-residents, whether citizens or aliens; and said companies are hereby authorized to deduct and withhold from all payments on account of any interest, or coupons and dividends, due and payable as aforesaid, the tax of five per centum; and the payment of the amount of said tax so deducted from the interest, or coupons, or dividends, and certified by the president or treasurer of said company, shall discharge said company from that amount of the dividend, or interest, or coupon on the bonds or other evidences of their indebtedness so held by any person or party whatever, except where said companies may have contracted otherwise. And a list or return shall be made and rendered to the assessor or assistant assessor on or before the tenth day of the month fol-lowing that in which said interest, coupons, or dividends become due and payable, and as often as every six months; and said list or return shall contain a true and faithful account of the amount of tax, and there shall be annexed thereto a declaration of the president or treasurer of the company under oath or affirmation in form and manner as may be prescribed by the Commis-sioner of Internal Revenue, that the same contains a true and faithful account of said tax. And for any default in making or rendering such list or return, with the declaration annexed, or of the payment of the tax as aforesaid, the company making such default shall forfeit as a penalty the sum of one thousand dollars; and in ease of any default in making or rendering in case of any default in making or rendering said list or return, or of the payment of the tax or any part thereof, as aforesaid, the assessment and collection of the tax and penalty shall be made according to the provisions of law in other cases of neglect or refusal: Provided, That whenever any of the companies mentioned in this section shall be unable to pay the interest on their indebtedness, and shall in fact fail to pay such interest, that in such cases the tax levied

^{. (3) 1864, § 121.} March 2, 1867.

by this section shall not be paid to the United States until said company resume the payment

of interest on their indebtedness (1).

That there shall be levied, collected, and paid on all salaries of officers, or payments for services to persons in the civil, military, naval or other employment or service of the United States, including senators and representative and delegates in Congress, when exceeding the rate of one thousand dollars per annum, a tax of five per centum on the excess above the said one thousand dollars; and it shall be the duty of all paymasters and all disbursing officers, under the government of the United States, or persons in the employ thereof, when making any payment to any officers or persons as aforesaid, whose compensation is determined by a fixed salary, or upon settling or adjusting the accounts of such officers or persons, to deduct and withhold the aforesaid tax of five per centum; and the pay-roll, receipts, or account of officers or persons paying such tax as afore-said shall be made to exhibit the fact of such payment. And it shall be the duty of the accounting officers of the Treasury Department, when auditing the accounts of any paymaster or disbursing officer, or any officer withholding his salary from moneys received by him or when settling or adjusting the accounts of any such officer, to require evidence that the taxes mentioned in this section have been deducted and paid over to the Treasurer of the United States, or other officer authorized to receive the same: Provided, That payments of prize money shall be regarded as income from salaries, and the tax thereon shall be adjusted and collected in like manner: Provided further, That this section shall not apply to payments made to mechanics or laborers employed upon public works: And provided further, That in case it should become necessary for showing the true receipts of the government under the operations of this section upon the books of the Treasury Department, the requisite amount may be carried from unappropriated moneys in the treasury to the credit of said account; and this section shall take effect upon salary and compensation for the month of March, eighteen hundred and sixty-seven (2).

The law provides that the portion of the premium returned by mutual life insurance companies to their policy holders shall not be considered as dividends unless the company pays to the policy holders more than

the premium received from him.

Where any mutual life insurance company has a capital stock and the profits of the company are divided between the stockholders and the policy holders, the amount paid to the policy holders is exempt from tax under § 120, provided it falls within the rule above stated.

To these provisions, are added the instructions issued from the department, with such other rulings and decisions more especially practical and important (3).

- 1. The farmer's profits from sales of live stock are to be found by deducting from the gross receipts for animals sold, the purchase money paid for the same.

(1) 1864, § 122. 1867. March 2. (2) 1864, § 123. Ibidem. (3) Series 2, No. 4.

2. No deduction can be made by the farmer for the value of services rendered by his minor children, whether he actually pays for such services or not. If his adult children work for him and receive compensation for their labor, they are to be regarded as other hired laborers in determining his income.

3. Money paid for labor, except such as is used or employed in domestic service, or in the production of articles consumed in the family of the producer, may be deducted.

4. No deduction can be allowed in any case for the cost of unproductive labor. If house servants are employed a portion of the time in productive labor, such as the making of butter and cheese for sale, a proportionate amount of the wages paid them may be deducted.

5. Expenses for ditching and clearing new land, are plainly expenses for permanent improvements, and not deductible.

6. The whole amount expended for fertilizers applied during the year to the farmer's lands may be deducted, but no deduction is allowed for fertilizers produced on the farm. The cost of seed purchased for sowing or planting may be deducted.

7. Farmers will not be required to make return of produce consumed in their own imme-

diate families.

8. If a person sells timber standing, the profits are to be ascertained by estimating the value of the land after the removal of the timber, and adding thereto the amount received for the timber, and from the sum thus obtained, deducting the estimated value of the land, on the first day of January, 1862, or on the day of purchase,

if purchased since that date.

9. A farmer should make return of all his produce sold within the year; but a mere executory contract for a sale is not a sale, -delivery, either actual or constructive, is essential. criterion by which to judge whether a sale is complete or not, is to determine whether the vendor still retains in that character a right over the property—if the property were lost or destroyed, upon, which of the parties, in the absence of any other relation between them. than that of vendor and vendee, would the loss fall.

10. Tax-payers frequently claim deductions for losses from depreciation in the value of stocks or other property of a like nature. No deduction can in any case be allowed for depre-

ciation of value of such property until it is actually disposed of and a "loss realized."

11. Costs of suits and other legal proceedings arising from ordinary business are to be treated as other expenses of such business, and may be

deducted from the gross profits thereof.

12. Where physicians are obliged to keep a horse for the transaction of business, they may deduct so much of the expense so incurred as is fairly referable to the business done.

13. Expenses for medical attendance, store bills, &c., are not proper subjects for deduction. Expenses for repairs of implements, tools, &c.,

used in business, may be deducted.

14. If the members of a family have separate incomes, the returns may be made separately by the proper parties, and a ratable proportion of the \$1,000 exempted from the income o of the \$1,000 exempted from the income of each. The parent as the natural guardian of the minor child, is required to make return for him. But where any other guardian or trustee has been appointed, the refurn should be made by the latter. If the minor has no guardian or trustee, he should make return himself. If he refuse or neglect, an independent assessment must be made as in other eases, omitting penalty.

15. For the purposes of the exemption of \$1,000, husband and wife are to be regarded as members of the same family, though living separate, unless separated by divorce or other operation of law so as to break up the family relation. Minor children and their parents should be counted members of the same family, whether living together or not whether living together or not.

16. If a tax-payer has a minor child in the scrvice of the government, receiving a salary, such parent should include in his income return so much of the salary of his child as is not sub-

ject to salary tax.
17. Rent of a homestead actually paid may be deducted, but the rental value of property owned by the tax-payer is not a subject of deduction; but where the tax-payer rents a furnished house, that portion of the rent paid in consideration of the use of the furniture should not be

allowed as a deduction.

Any person claiming a deduction on account of expense for room rent, must satisfy the assessor that the room or rooms occupied by him constitute his home, and that he has no residence elsewhere, and this being shown, he may be allowed to deduct what he actually pays for rent of such rooms, but nothing can be allowed for rent of furniture or care of rooms. When rent is included and deducted as an expense of business, it must not be again deducted as rent, nor should a person hiring a house and sub-letting a portion of it be allowed to deduct more than the excess of his payments over his receipts.

18. Marriage fees, gifts from members of a congregation to their pastor, &c., are taxable as income when the gifts or donations are in the nature of compensation for services rendered, whether in accordance with an understanding to that effect at the time of settlement, or with

an annual custom.

19. Gifts of money, when clearly not in the nature of payment for services rendered, or other valuable consideration, are not liable to taxation as income. Amounts received on life insurance policies, and damages recovered in actions of tort are exempt from income tax.

20. Lawyers and physicians may return either

the actual fees received during the year without regard to the time when they accrued, or the amounts due to the business of the year. But when the tax-payer has heretofore adopted one method, he can not now be allowed to make use of the other.

21. If the manufacturer or dealer has been in the practice of estimating his annual profits by taking inventories of stock, he should take the cost value of such stock, unless he has taken the market value in making previous returns Whichever method has been adopted by the tax-payer should be adhered to uniformly.

22. If interest accrued during the year on notes, bonds, &c., is good and collectible at the end of the year, it should be returned as income whether actually collected or not.

23. The fact that income is devoted to the payment of debts does not release the same from liability to income tax.

24. If an inventor sell his invention at once for a gross sum, he should return as income the whole amount, less the expenses actually incurred in perfecting the invention, or in procuring a patent right. But no allowance can be made for the labor or personal expenses of the inventor. If he sell only a portion of his right during the year, he may deduct a proportionate amount of such expense.

25. Wherever the salary or pay received by any person in government employ does not ex-

ceed the rate of \$1,000 per annum, or is mad up of fees, or is uncertain or irregular in th amount or time, and has not therefore bee subjected to salary tax, it should be include with other taxable income. Where such salar exceeds the rate of \$1,000 per annum, the amour of salary from which the tax has been deducte may be deducted from the gross income.

26. Incomes of persons who died after De

cember 31, are taxable, and should be returne by executors or administrators, and also all in come which accrued in 1866, to persons wh died within that year. Income which accrue from the estates of such persons in 1866, after the date of decease, should be returned by th heirs or other persons who received the benef

of the same.

27. Residents should make return in the dis trict where they reside at the time of makin return. The residence required under section 116 for the purpose of taxing income is held t be a residence during the year for which incom is "derived." If any person subject to incom tax resides abroad, his return should be mad

in the district where he last resided.
28. Citizens of the United States residin abroad are subject to tax upon their entire ir comes from all sources whatever; and the sam is true of foreigners residing in this country.

29. The law provides that a like tax shall t levied, collected, and paid upon the gains, profi and income of every business, trade, or profe sion carried on in the United States by persor residing without the United States and not cit zens thereof.

zens thereof.

30. A lease for years or for life is person estate, and any profits on the sale of such lease are taxable as income for the year of sal 31. Where any portion of a legacy has bee transferred by the executor to the legatee, that the executor in his capacity of guardian trustee has no longer any control of the profi arising from such legacy, the return of suc profits as income must be required of the legatee.

legatee.
32. The payment of legacy or succession to an annuity does not relieve on the bequest of an annuity does not relieve the annuitant from liability to income tax (

his annuity.

33. Assessors should be careful not to allo the deduction of amounts claimed to have bee lost in business, when in reality they should b regarded as investments or expenditures: when merchants expend money in farming gardening for recreation or adornment rathe

than pecuniary profit.

31. Whenever scrip dividends are returnab as income they should be returned at the

market value.

35. It is believed that in many instances, the assessment of income for former years, pe sons holding United States securities have n included the accruing interest in their return of income. Assessors should inquire especial into this subject, and if the omission has bee made, the deficiency should be assessed, by without penalty when it appears to have bee due to a misapprehension of the law.

36. The attention of assessors is particular called to the terms of the act in force, which require to be included in returns of income the control of the c share of any person of the gains and profits

all companies. whether incorporated or partne ship. who would be entitled to the same if d vided, whether divided or otherwise.

The amount received by a farmer from it sale of farm products. including cotton, shou be returned for the year in which sold, regarders of the year when reject less of the year when raised.

The expense of carrying on a farm or plantation may be deducted from the income of the year when paid, and for the income of that year

The amount paid for Internal Revenue stamps are to be deducted from income returns as

general business expenses.

gift or testimonial of money for services or faithfulness may be deducted from income returns. but notif in any sense considered as compensation.

The expense of replacing an old or deficient furnace or heating apparatus with a new or better one cannot be deducted from income as

usual and ordinary repairs."

Loss occasioned by accommodation endorsements, or voluntary liabilities incurred for another cannot be deducted from income.

Loss sustained as a stockholder in a corporation cannot be deducted from personal income,

it being a loss of capital.

The undivided earnings of a corporation are taxable as income of stockholders, even if applied to pay back debts of the corporation.

Losses from fixed investments, such as bank, manufacturing, gold, oil, and coal stocks are not

to be deducted from income returns.

Manufactures.

GENERAL PROVISIONS.

1. All persons, partnerships, companies, etc., before commencing or continuing any manufacture liable to tax under the law. shall furnish to the assistant assessor a sworn statement as to the place where the manufacture is to be carried on, the articles manufactured, and the proposed market of the same, with general description of the kind and quality of the proposed manu-

2. Within ten days after the first of any month, he shall make sworn returns of the products and sales of such manufacture.

3. The prescribed duty shall be paid within ten days from the 20th of each month, or in case of neglect his real and personal property may be levied upon; the tax to be a lien in favor of the government (1).

4. In case of goods made on commission, or when another party furnishes the article to be manufactured, the person paying the tax has a lien on the goods, for the amount

so paid (2).

5. For neglect or refusal to pay the prescribed tax, the goods undisposed of, are forfeited to the United States, and sold for its benefit. The collector in pursuing this remedy takes possession of the goods, summons the party interested before the assessor, and if before the hearing the summons in this behalf shall have been adjudged sufficient by the assessor, and the tax is not paid, the goods, etc., are declared forfeit,

and are sold and turned over by the collector to the government, and the proceeds after deducting the taxes due, and all expenses, are paid to the owner, or if he cannot be found to the manufacturer from whose custody they were taken (3). The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may review the whole proceedings; and if the forfeiture has been wrongly declared, indemnity is made from the treasury to the party aggrieved (4). Immediate notice of all seizures must be made to the Commissioner (5).

6. Failure to comply with the requirement as to notice and monthly returns, is a good cause for forfeiture, the taxes due to

be first ascertained.

7. Perishable articles adjudged to be such by the collector, may be sold at once (6).

8. In case the manufacturer fails to comply with the required regulations, the assistant assessor, upon such information as he may have, assumes and estimates the amount and value of the goods; and upon the assumed amount assesses the tax and adds fifty per cent. thereto (7). Failure to comply with the requirements of the law in this behalf, shall also be visited with a fine of five hundred dollars (8).

9. Any person, firm, company, or corpo ration, manufacturing or producing goods, wares, and merchandise, sold or removed for consumption or use, upon which taxes are imposed by law, shall, in their return of the value and quantity, render an account of the full amount of actual sales made by the manufacturer, producer, or agent thereof, and shall state whether any part, and if so, what part, of said goods, wares, and merchandise, has been consumed or used by the owner, owners, or agent, or used for the production of another manufacture or product, together with the market value of the same at the time of such use or consumption; whether such goods, wares, and merchandise were shipped for a foreign port or consigned to auction or commission merchants, other than agents, for sale; and shall make a return according to the value at the place of shipment, when shipped for a foreign port, or according to the value at the place of manufacture or production, when removed for use or consumption, or consigned to others than agents of the manufacturer or producer.

^{(1) 1864. § 82.} (2) Ibidem, § 83.

^{(3) 1864, 284.}

⁽⁴⁾ Ibidem. (5)Ibidem.

⁽⁶⁾ Ibidem. (7) 1864, § 85. (8) 1864, § 84.

The value and quantity of the goods, wares, and merchandise required to be stated as aforesaid shall be estimated by the actual sales made by the manufacturer or by his And where such goods, wares, and merchandise have been removed for consumption or for delivery to others, or placed on shipboard, or are no longer within the custody or control of the manufacturer or his agent, not being in his factory, store, or warehouse, the value shall be estimated at the average of the market value of the like goods, wares, and merchandise at the time when the same became liable to tax (1).

10. Manufactures, when the product does not exceed one thousand dollars per year, and is the production of a firm or family of persons manufacturing, are exempt from When it exceeds one thousand dollars and does not exceed three thousand dollars, the tax is levied on the excess This proabove one thousand dollars. vision does not apply to refined petroleum, refined coal oil, cotton, gold and silver, spirituous and malt liquors, manufactured

tobacco, snuff and cigars (2).

11. When a manufacturer uses or consumes articles, which, if removed for sale, etc., would be taxable, he is assessed for the same as if used or sold by others (3).

Distilled Spirits.

1. A distiller is deemed to be every firm, person or corporation, who distills or manufactures spirit or alcohol, or who brews or makes mash, wort or wash for distillation or the production of spirit: and the possession of these materials or of the stills, etc., is presumptive evidence of the business being carried on: and a "rectifier" is deemed to be any one who rectifies, purifies, or refines distilled spirits or wines, or who mixes or compounds any liquors under the name of whiskey, brandy, gin, rum, wine, "spirits," or wine bitters (4).

2. The penalty for distilling or rectifying without having paid the special tax, is not less than double the tax imposed upon the spirits distilled, or double the special tax due for the spirits rectified or found upon the premises, and to imprisonment for a term not exceeding two years, and forfeit-

ure to the United States of the liquors dis-

(1) 1864, § 86. (2) July 13, 1866, § 9. (3) Ibidem.

Manufacturers do not lose the benefit of the exemption of one thousand dollars by reason of employing apprentices or journeymen, provided they personally engage in the manual labor of the business.

(4) 1867, March 2. July 13, 1866.

tilled or rectified found upon the premises, and of the stills, materials, and vessels used

thereon (5).

3. Notice shall be given of the names and places of business or residence of persons by whom business is to be carried on: also in case of a distillery the capacity of the stills, etc.: and if the property is leased, the terms of the lease: also notice of all changes in the ownership or otherwise, of the business. Bonds are also to be given, conditioned that the requirements of the law shall be complied with under the penalties last provided for (6).

4. Distilling is forbidden where fermented liquors, vinegar or either are made, where sugar is refined, where liquors are retailed, or any other business is carried on, under penalty of forfeiture of the stills, etc., and all vessels used, and the spirits distilled, and a fine of one thousand dollars, and imprisonment not exceeding one

year (7).

5. Notice shall be given to the collector by the manufacturer of any still, boiler or other vessel to be used for the purpose of distilling, and when the same is to be used, and no such still, etc., shall be set up without a permit from the collector, under penalty of five hundred dollars, and a forfeiture of the distilling apparatus. Saleratus may however be made in a distillery and the boiler for generating steam, or heating water may be located in another building (8).

6. Every rectifier and distiller shall enter daily in a book or books kept for that purpose, under such rules and regulations as the Commissioner of Internal Revenue may prescribe, the number of proof gallons of spirits purchased or received, of whom purchased and received, and the number of proof gallons sold or delivered; and every rectifier or wholesale dealer who shall neglect or refuse to keep such record shall forfeit all spirits in his possession, together with the apparatus, tools, and implements used, and be subject to a fine of five hundred dollars, or imprisonment for not less than six months nor more than one year, in the discretion of the court. And every rectifier shall mark with a stencil-plate on each package of five gallons or more of distilled or rectified spirits sold by him, his name and place of business (9).

7. It was provided by the act of 1866, § 27, that the owner or owners of any distillery shall provide at his or their own ex-

⁽⁵⁾ July 13, 1866. (6) July 13, 1866, **₹ 16.** (7) Ibidem. **₹ 25.** (8) Ibidem. **₹ 26.** (9) Ibidem, **₹ 26.**

of bonded spirits, of his or their own manufacture only; or he or they may provide a secure room in a suitable building, to be used as such warehouse, but no dwellinghouse shall be used for such purpose; and no door, window, or other opening shall be made or permitted in the walls thereof, leading to any other room or building used for any other purpose, or into the distillery; and after a bond has been given, as hereinafter provided, such warehouse or room, when approved by the Secretary of the Treasury, on report of the district collector, is hereby declared to be a bonded warehouse of the United States, and shall be used only for the storing of spirits manufactured by the owner, agent, or superintendent of such distillery, and shall be under the custody of the inspector as hereinafter provided; and shall be kept locked thereof to be made, the same also to be up by the proper officer in charge, at all times, except when he shall be present; and the tax on the spirits stored in such warehouse shall be paid before removal from such warehouse, unless removed in pursuance of law. And the owner or owners of such warehouse shall execute a general bond to the United States with two or more sureties, to be approved by the collector; and such bond shall be for not less than the amount of taxes on the spirits to be covered thereby, and in such form, and containing such conditions, as shall be approved by the Secretary of the Treasury, and shall be changed or renewed from time to time in regard to the amount and sureties thereof, as the collector, with the approval of the Secretary of the Treasury, may require (1). And by the statute, 1867, March 2, that whenever, in the judgment of the collector, there shall be a general bonded warehouse so located as to be conveniently accessible to a distillery, and in the same collection district, the said collector shall direct all spirits which may be stored in the bonded warehouse attached to such distillery to be transferred directly to a general bonded warehouse; and all spirits thereafter produced in such distillery shall be removed to a general bonded warehouse within the time and in the manner heretofore required for the removal to the bonded warehouse attached to the distillery.

8. These general bonded warehouses for the storage of liquors distilled, are established under the regulation of the secretary, bearing date August 29, 1867, providing for the withdrawal, transportation and

pense a warehouse suitable for the storage exportation of the merchandise deposited therein; and for the keeping of proper accounts thereof, together with rules for the allowance of leakage (2), but it does not comport with the purpose of this Hand-Book, to give them in full. Officers of the revenue, and those otherwise interested, will give particular attention to the same.

9. By the act of 1866, an inspector was appointed for each distillery, whose duties were to take an account of all material used for the purpose of producing spirits, when put into the mash tub, or otherwise used—to inspect, gauge and prove all spirits distilled—to take charge of the bonded warehouse established for the distillery, the same to be in the joint custody of the inspector and the owner, his agent or superintendent; and when any spirits were placed in the "warehouse" to cause entry signed by the owner of the spirits, with the endorsement of the inspector by certificate, that the same had been duly inspected; such entry and certificate to be filed with the collector.

This inspector was precluded from engaging in any other business, and has for compensation five dollars per day while so engaged as inspector, to be paid by assessment upon the distiller. He was also allowed a prescribed fee for every proof gallon of distilled spirits inspected (3).

10. An assistant inspector might be appointed when the duties could not be performed in full by the principal inspector (4).

11. If any distiller allowed any distillation, etc., in the absence of the inspector, he incurs a penalty of the forfeiture of double the amount of taxes on the spirits so produced and removed, and also a fine of one thousand dollars (5).

12. The penalty for shipping or removing any distilled spirits or fermented liquors or wines without a proper brand, was the forfeiture of the spirits, etc., and a fine of five hundred dollars.

13. By the statute of March 3, 1867, it was provided that spirits should be inspected by a GENERAL INSPECTOR, who shall, before the spirits are removed from the distillery, duly brand the packages, and the provision, requiring the appointment of

(2) Series 3. No. 9.

Great frauds have been committed upon the revenue in this branch of the law and it has become manifest that the refinement and particularity and stringency of the various regulations, have been almost ineffectual. The only remedy would seem to be, to tax each still according to it: capacity. whether running or not.—Ed.
(3) July 13, 1866.
(4) Ibidem.

^{(5) 1866, § 29.}

an inspector for each distillery, was re-

pealed (1).

14. Every distiller shall make or cause to be made an exact entry of all the materials used in the production of spirits, the number of gallons distilled and placed in warehouses, the proof thereof, and the number of gallons sold, and the name or place of business or residence of the person to whom sold.

He also, three times a month, is to render his account to the assessor or his assistant in duplicate, under oath, of these entries. This book of entries must always be open to the inspection of the govern-The violation of these proment officers. visions subjects the offender to a fine of five hundred dollars. For rendering a false account, the penalty is the same, or to imprisonment not less than six months (2).

15. The proprietor and possessor of a still or its apparatus is jointly and severally liable for the taxes due, and the tax is a lien upon the distillery, the spirits distilled, the apparatus used and the land upon

which the distillery is situate (3).

16. The tax upon any spirits distilled and removed, not being deposited in a bonded warehouse may be assessed by the assessor or assistant assessor, but not to the exclusion of any other remedy or proceed-

ing provided by law (4).

17. The tax upon all spirits is collected upon the basis of first proof, which proof shall be held and taken to be that alcoholic liquor which contains one-half its volume of alcohol of a specific gravity of seven thousand nine hundred and thirty-nine (.7939) ten thousandths at sixty degrees Fahrenheit; and the Secretary of the Treasury is also authorized to adopt, procure, and prescribe for use such hydrometers, weighing and gauging instruments, meters, or other means for ascertaining the strength and quantity of spirits subject to tax, or for the prevention or detection of frauds by distillers of spirits, and to prescribe such rules and regulations as he may deem necessary to insure a uniform and correct system of inspection, weighing, and gauging of spirits subject to tax throughout the United States. And whenever the Secretary of the Treasury shall adopt and prescribe for use any meter or meters, it shall be the duty of every owner, agent, or superintendent of a distillery, to make appli cation to the collector of his district for such meter or meters, to be used in his dis-

tillery, and the same shall be furnished and attached to the distillery at the expense of the distiller, whose duty it shall be to furnish all the pipes, materials, labor, and facilities necessary to complete such attachment in accordance with the regulations of the Commissioner of Internal Revenue, who is hereby further authorized to order and require such changes of or additions to distilling apparatus, connecting pipes, pumps or cisterns, or any machinery connected with or used in or on the distillery premises, or may require to be put on any of the stills, tubs, cisterns, pipes, or other vessels such fastenings, locks, or seals as he may deem necessary. And in all sales of spirits hereafter made, where not otherwise specially agreed, a gallon shall be taken to be a gallon of first proof, according to the foregoing standard set forth and declared for the inspection and gauging of spirits throughout the United States (5).

18. The distiller is required to erect cisterns for the receiving of the spirits dis-tilled during the day of twenty-four hours, (a particular description of which is set forth in the statute;) under locks and keys provided by the Secretary of the

Treasury (6).

19. For knowingly or fraudulently using false weights or measures in ascertaining material of distillation used, or for making false records, or destroying locks or seals upon cisterns, etc., subjects the offender to a penalty of imprisonment for the term of two years, and a fine not exceeding one thousand dollars, and for using beer, molasses or other substances for the purpose of producing spirits, before an account of the same is registered, to a penalty of one thousand dollars for each offence (7).

20. The distiller supplies all needed assistance for the inspection of the distillery, under a penalty for refusal or neglect of two hundred dollars for each offence (8).

21. The thirty-eighth section of law of 1866 gives full direction as to the mode of inspection of spirits, the marking of the same, and the returns to the collector and assessor, with a penalty for each evasion, false marking or other fraud. The inspector is also made subject to severe penalties, for neglect of his duties, or connivance with the distiller. Severe penalties are also provided for fraudulently using, purchasing or selling any casks, etc., bearing inspection marks; also for fraudulent use of inspector's brands or plates; also for the

^{(1) 1867. 3 17.}

^{(2) 1866.} July 13. (3) March 2, 1867, § 14.

⁽⁴⁾ Ibidem.

⁽⁵⁾ Ibidem, § 15. (6) 1866, § 34. (7) Ibidem. § 35° (8) Ibidem, § 37.

negligent or wilful leaving of these brands, etc., on the part of an inspector, where

they may be fraudulently used (1).

22. A fine of one thousand dollars and imprisonment for not less than one, nor more than two years, is imposed upon a person who adds ingredients, etc., for the purpose of creating a fictitious proof on spirits, with forfeiture of contents of casks, etc., to the United States (2).

23. Spirits may be removed from bonded warehouse, owned by distiller, under the prescribed regulations, which will be

carefully consulted (3).

24. Spirits may be removed from bonded warehouse for exportation upon giving bond, to be cancelled upon the presentation of the proper certificate that the spirits

have been landed, etc., or lost (4).

25 When a bond, under which spirits have been removed from bonded warehouse, is forfeited, the obligors therein must pay the taxes due and fifty per cent. additional, and the collector may distrain for the same. In case no property is found, the collector forwards the bond to the United States district attorney for suit, and notice is given the Commissioner of Internal Revenue (5).

26 For executing or signing any false or fraudulent bond, permit, etc., to evade tax on distilled spirits, for withdrawal of the spirits from warehouse or otherwise, the penalty is the forfeiture of such spirits, and imprisonment of not less than one, nor more than five years, at the discretion of

the court (6).

27. Persons owning spirits manufactured previous to the operation of the act, exceeding fifty gallons, must notify the collector to gauge the same; and upon the receipt of the notice the collector shall cause the same to be gauged and proved, and the casks to be marked. Such spirits shall not be gauged in cisterns, but only in barrels, That in leech tubs shall be estimated by the inspector, and the collector forwards a copy of the return to the Commissioner. A refusal to notify the collector is visited with a penalty of five hundred bond with security in a sum not less than dollars (7).

28. Spirits found on distillery premises after the tax is paid, are forfeited (8).

29. When removed from original pack-

(1) July 13, 1866, § 38.

- (2) Ibidem, 3 39.
 (3) Ibidem, 3 40. Dept. Series 3, No. 9.
 (4) Ibidem, 3 41. Dept. Series 3, No. 9.
 (5) March 2, 1867, 3 23.
 (6) July 13, 1866.
- (7) Ibidem. March 2, 1867, § 10.

(8) Ibidem.

age, for purposes of rectification, etc., they shall be reinspected and the absence of the brand is cause for forfeiture (9).

30. All forfeited boilers, stills, etc., are to be sold at public auction, and proceeds disposed of by the Commissioner for the

benefit of the government (10).

31. The Commissioner is authorized to exempt distillers from apples, peaches and grapes, from the provisions above recited,

if he deem it expedient (11).

32. When any still not exceeding one thousand dollars in value, has been seized for violation of the law, the same shall not be released to the claimant, but shall be destroy-If worth more than one thousand dollars it shall be released only at the discretion of the court (12).

33. Severe penalties are inflicted in case spirits are removed, except as provided by law, and the burden of proof shall be upon the claimant to show that the requirements of the law have been complied

with (13).

34. Spirits are to be removed from the place of storage, etc., only between sunrise

and sunset (14).

35. The Commissioner may authorize any internal revenue officer to seize property subject to seizure and the packages in which they are contained (15).

36. Selling or offering spirits for sale at less than the tax imposed by law, shall be

prima facie evidence of fraud (16).*

37. Immediately upon barrels, etc., of spirits being emptied, the inspectors' marks shall be effaced under a penalty of ten dollars for each offence, and the said packages shall be forfeited, and be seized wherever found (17).

38. Additional penalties are provided by the act of 1867, for neglect or refusal to do or cause to be done, anything required by

law concerning distilled spirits (18). 39. Spirits forfeited are not to be used for less than the tax required by law, and

if not sold within ninety days are to be destroyed (19).

40. All inspectors are required to give

(9) Ibidem. (10) March 2, 1867, § 24. (11) March 2, 1867, § 24. (12) Ibidem, July 13, 1866. (13) 1866. § 45. (14) March 2, 1867.

- (15) Ibidem, § 19. (16) Ibidem, § 21. (17) Ibidem, § 22.
- (18) 1867. 2 25.
- (19) Ibidem, § 27. *Quære as to this. See late decision of the Department on the subject. The spirits may have been rectified or diluted.

five thousand dollars. This applies also to

inspectors of cigars (1).
41. The statute of March 3, 1865, section 1, provided fully that distilled spirits, etc., may be removed without payment of duty, under bond-may be transferred from one bonded warehouse to another, and the rules for inspection on deficiency, beyond the allowance for leakage--rules for the costs, etc., as on imported goods deposited in bonded warehouse. These provisions will be thoroughly examined by those interested, as also the department instructions (2).

42. Where any whiskey, oil, tobacco, or other articles of manufacture or produce requiring brands, stamps, or marks of whatever kind to be placed thereon, shall be sold upon distraint, forfeiture, or other process provided by law, the same not having been branded, stamped, or marked as required by law, the officer selling the same shall, upon sale thereof, fix or cause to be fixed the brands, stamps, or marks so required, and deduct the expense thereof

from the proceeds of such sale (3).
43. By joint resolution of February 5, 1867, it was provided alcohol made of taxed spirits, etc., burning fluid made from taxed alcohol or spirits of turpentine, or camphene taxed, should be exempt from tax, and other statutes relating to a tax on these articles were conformably amended (4).*

Fermented Liquors.

1. The tax upon beer, lager beer, ale, porter and other fermented liquors is one dollar for every barrel of thirty-one gallons, and at that rate for fractional parts. fractional parts of a barrel shall be halves, thirds, quarters, sixths, and eighths; and any fractional part of a barrel containing less than one-eighth shall be accounted oneeighth; more than one-eighth and not more than onc-sixth, shall be accounted onesixth; more than one-sixth and not more than one-quarter, shall be accounted onequarter; more than one-quarter and not more than one-third, shall be accounted one-third; and more than one-third and less than one-half, shall be accounted onehalf; more than one-half and not more than one barrel, shall be accounted one barrel; and more than one barrel and not more than sixty-three gallons, shall be accounted two barrels, or a hogshead: Provided, That fractional parts of barrels con-

taining more than one-quarter and not more than one-half, shall be accounted one-half; and pay tax as such until June first, eighteen hundred and sixty-seven (5).

2. Brewers must give notice before commencing business to the assistant assessor, of his intention to do so, and furnish a description of the premises, with an estimate of the capacity of his establishment (6).

3. Brewers must execute a bond in a sum twice the amount of tax, which in the opinion of the assessor, the brewer will be liable to for one month. This bond shall be renewed on the first of May in each year (7).

No brewer shall be required to pay a special tax as a wholesale dealer, by reason of selling his products at a place other than

his brewery (8).

4. Hc shall keep a book, where he shall enter the quality of the fermented liquors made, and the quality removed for sale or This book to be open at all consumption. times to assistant assessors. Verified returns are to be made monthly, and sent both to the assessor and the collector, on or before the tenth of each month (9).

5. Any brewer who fraudulently attempts to evade the tax, or who makes false entries, or procures the same to be done, shall forfeit his productions, and the barrels, etc., containing the same, and be liable to a penalty of not less than five hundred dollars, nor more than one thousand dollars; shall be deemed guilty of a misdemeanor, and shall be imprisoned for not less than a year (10).

6. For refusing to keep books, or render an account he shall for each refusal or neglect, forfeit three hundred dollars (11).

7. The payment of the tax upon fermented liquors is made by stamps denoting the amount of tax, and sold by collectors to brewers only: an account of the same is kept by the collector, a deduction of seven and a half per cent. is allowed on sale, and the amount realized is included in estimating the commissions of the collectors and assessors (12).

8. The fifty-third section of the law of July 13, 1866, gives particular directions as to the manner of affixing the stamps to the barrels, etc., and the cancellation of the same, and a penalty for the fraudulent use The reader will also carefulof the same.

(5) July 13, 1866, March 2, 1867, § 10.
(6) Ibidem, § 46.
(7) Ibidem, § 47.
(8) Ibidem, § 48.
(9) 1866, July 13.
(10) July 13, 1866.
(11) Ibidem.
(12) Ibidem. § 52.

(12) Ibidem, § 52.

^{(1) 1867, 231.} (2) 1865, 21, Series 3, No. 9. (3) 1866, 217. (4) Joint Resolutions, No. 8, February 5, 1867. *See appendix, note "A."

ly consult Series 2, No. 6, for regulations of

the department in this behalf (1).

9. Severe penalties are provided for removal for sale or otherwise, of fermented liquors before the proper stamp is affixed, for making, selling or using false stamps or dies (2).

10. Stamps are required on hogsheads, etc., when fermented liquor is sold at retail, and an account of the same is to be

made to the assessor, monthly (3).

11. Brewers may remove malt liquors of their own manufacture to a place of storage within the same district in quantities not less than six barrels, without stamps. same shall be affixed when liquor is sold, or removed from the place of storage. Particular provisions are made for removal to another collector's district (4). Soured liguors may be removed without stamps (5).

12. Every brewer shall mark or cause to be marked, in such manner as shall be prescribed by the Commissioner of Internal Revenue, upon every hogshead, barrel, keg, or other vessel containing the fermented liquor made by him, before it is sold or removed from the brewery, or brewery warehouse, or other place of manufacture, the name of the person, firm, or corporation by whom such liquor was manufactured, and the place where the same shall have been made; and any person, other than the owner thereof, or his agent, who shall intentionally remove or deface such mark therefrom, shall be liable to a penalty of fifty dollars for each cask from which the mark is so removed or defaced (6).

13. Every person, other than the pur chaser or owner of any fermented liquor, or person acting on his behalf, or as his agent, who shall intentionally remove or deface the stamp affixed upon the hogshead. barrel, keg, or other vessel in which the same may be contained, shall be liable to a fine of fifty dollars for each such vessel from which the stamp is so removed or defaced, and to render compensation to such purchaser or owner for all damages sus-

tained by him therefrom (7).

14. The ownership or possession by any person of any fermented liquor after its sale or removal from brewery or warehouse, or other place where it was made, upon which the tax required shall not have been paid, shall render the same liable to seizure wherever found, and to forfeiture; and that the want of the proper stamp or stamps upon any hogshead, barrel, keg, or other vessel in which fermented liquor may be contained after its sale or removal from the brewery where the same was made, or warehouse as aforesaid, shall be notice to all persons that the tax has not been paid thereon, and shall be prima facie evidence of the non-payment thereof (8).

15. Every person who shall withdraw any fermented liquor from any hogshead, barrel, keg, or other vessel upon which the proper stamp or stamps shall not have been affixed, for the purpose of bottling the same, or who shall carry on, or attempt to carry on, the business of bottling fermented liquor in any brewery or other place in which fermented liquor is made, or upon any premises having communication with such brewery or any warehouse, shall be liable to a fine of five hundred dollars, and the property used in such bottling or business shall be liable to forfeiture (9).

Cigars and Tobacco.

1. The tax on cigars, etc., is as follows: On cigarettes, cigars, and cheroots of all descriptions, made of tobacco, or any substiitute therefor, five dollars per thousand (10).

2. The Commissioner, with the approval of the Secretary of the Treasury, prescribed regulations for the inspection and valuation and collection of the tax (11).

3. For the tax on tobacco, see schedules.

4. The manufacturer of tobacco, snuff, or cigars shall in addition to the other provisions of law, furnish to the assessor a sworn statement, setting forth his place of business, a description of the article he manufactures, etc. He should also give a bond in the sum of three thousand dollars, with one or more sureties to be approved by the collector of the district, for each cutting machine kept for use, in the sum of one thousand dollars for each screw-press kept for use in making plug or pressed tobacco, in the sum of five thousand dollars for each hydraulic press kept for use, in the sum of one thousand dollars for each snuff mull kept for use, and in the sum of one hundred dollars for each person employed by said person, firm, company, or corporation in making cigars, conditioned that he will comply with all the requirements of law in regard to the manufacture of tobacco, snuff, or cigars; that he will not employ others to manufacture cigars who have not ob-

- (8) July 13. 1866. § 57. (9) Ibidem, § 58. Consult Series 2, No. 6, or
 - (10) March 2, 1867, § 9. (11) Ibidem.

⁽¹⁾ July 13, 1866, § 53. (2) Ibidem, § 54. (3) July 13, 1866, § 54.

⁽⁴⁾ Ibidem.

Ibidem, Series 2, No. 6.

⁽⁶⁾ Ihidem, 3 55. (7) Ibidem, 3 56.

ained the requisite permit for making eigars; that he will not engage in any atempt, by himself or by collusion with others, to defraud the government of any ax on any manufacture of tobacco, snuff, or cigars; that he will render truly and correctly all the returns, statements, and nventories prescribed for manufacturers of obacco, snuff, and cigars; that whenever ie shall add to the number of cutting machines, presses, snuffmulls, or cigar makers, used or employed by him, he will immeditely give notice thereof to the collector who holds the bond, that he will pay to the collector of the district all the taxes which nay or should be assessed and due on any obacco, snuff, or cigars so manufactured, and that he will not knowingly sell, purchase, or receive for sale any such tobacco, nuff, or cigars which have not been inpected, branded, or stamped as required by law, or upon which the tax has not been paid if it has accrued or become payable. And the said bond may be renewed or changed from time to time, in regard to he sureties or amount thereof, according o the discretion of the collector, under the nstructions of the Commissioner of Inter-And every person, firm, al Revenue. company, or corporation aforesaid shall exnibit, whenever demanded by any officer of internal revenue, a certificate from the collector, who is hereby authorized and diected to issue the same, setting forth the and number of machines, presses, nuff mulls, and number of cigar-makers or which the bond has been given. ny person, firm, or corporation manufacuring tobacco, snuff, or cigars of any decription without first furnishing the bond n the cases herein required, shall be subject to a fine of three hundred dollars, and n addition thereto, upon conviction thereof, hall be liable to imprisonment for a term not exceeding one year, at the discretion of the court (1).

5. It shall be the duty of the assistant asessor of each district to keep a record, in book or books to be provided for the puroose, to be open to the inspection of any person upon reasonable request, of the name of any and every person, firm, comany, or corporation who may be engaged n the manufacture of tobacco, snuff, or igars in his district, together with the place where such manufacture is carried on and he place of residence of the person or perons engaged therein; and the assistant asessor shall enter in said record, under the name of each manufacturer, an abstract of

his monthly returns; and each assessor snall keep a similar record for the entire district. All cases where tobacco, snuff, or cigars, of any description, are manufactured, in whole or in part, upon commission or shares, or where the material from which any such articles are made, or are to be made, is furnished by one party and manufactured by another, or where the material is furnished or sold by one party with an understanding or contract with another that the manufactured article-is to be received in payment therefor or any part thereof, the tax imposed by law thereon may be assessed upon the party for whom the same was made, or to whom the same was delivered as aforesaid, or upon the person or party who made the same, as the assessor shall deem best for the collection of the revenue. And in case of fraud on the part of either of said parties in respect to said manufacture, or of any collusion on their part, to defraud the revenue, the materials, etc., shall be forfeited and the articles shall be assessed at the highest rate of tax (2).

6. The manufacturer of cigars, snuff, and tobacco, is required on the first of January in each year to make an inventory, of the quantity of tobacco, etc., etc., owned by him at said date, and an account is to be kept by him of all articles purchased by him thereafter, and of the quantity manufactured, sold, consumed or removed, a copy of which is to be furnished to the assistant assessor; under a penalty of five hundred dollars, and an examination may be made, under the general provisions, if the account is deemed fraudulent (3).

7. The tax upon cigars, etc., accrues upon the removal from the place of manufacture (4).

8. A transfer may be made to a bonded warehouse upon the payment of the duty (5), and the regulations as to distilled spirits apply so far as applicable; no drawback being allowed.

9. All manufactured tobacco, snuff and cigars before the same are used or removed must be inspected, and each box or package stamped by the inspector, the fee for the same to be paid by the manufacturer (6).

10. For affixing a fraudulent stamp or inspector's mark, the penalty is not less than fifty dollars, and imprisonment not exceeding two years (7).

^{(2) 1866. § 9.} (3) March 2, 1867, § 9.

⁽⁴⁾ Ibidem.

⁽⁵⁾ Ibidem. (6) July 13, 1866, § 9. March 2, 1867, § 31.

⁽⁷⁾ Ibidem.

11. All cigars shall be packed in boxes or paper packages, and if sold without inspec-

tion, are forfeited (1).

12. The Commissioner shall keep an account of all stamps delivered to inspectors, and the latter keep an account of all used, and the persons for whom used, and the date of the inspection, to be returned to the assessor (2).

13. The inspectors give bond in five thousand dollars for the faithful performance of their duties, and for the return of

all stamps not used by them (3).

14. If any other than the manufacturer parts with the possession of tobacco, snuff, or cigars, on which the duties have not been paid, with the knowledge thereof, he incurs a penalty of one hundred dollars for each offence, and the purchaser of any uninspected or unstamped cigars, etc., with the knowledge thereof incurs a penalty of fifty dollars for each offence, and for receiving these from a manufacturer who has not paid the special tax, the penalty is one thousand dollars, and a forfeiture of the articles (4).

15. The manufacturer of cigars, etc., must have a permit, also the maker of the cigars; and before making in any other district than his residence, he must procure the endorsement of the assistant assessor in said district, for which the assistant is

entitled to a fee of ten cents (5).

16. The assistant keeps a record of all these permits, showing the date of the same, the name, residence and place of employment of the party named therein,

and other particulars (6).

17. Every maker of cigars shall keep a monthly account of all the cigars he makes, and for whom made, and deliver a sworn copy to the assistant assessor on the first Monday of every month. And if any person shall make any cigars without procuring such permit, or the proper endorsements thereon, or neglect to keep such account in book form, he shall be punished by a fine of five dollars for each day he shall so offend, or by imprisonment for such time as the court may order for each day's offence, not exceeding thirty days in the whole, upon any one conviction. And if any person making cigars shall fail to make the return herein required, or shall make a false return, he shall be punished by a fine not exceeding one hundred dollars, or by imprisonment not exceeding thirty days. And any person may apply to the assistant

(1) July 13, 1866, § 9. March 2, 1567, § 31.

(2) Ibidem. (3) Ibidem.

5) Ibidem. (6) Ibidem.

(4) 1864, § 92. July 13, 1866, § 9.

any cigars of his own manufacture counted; and on receiving a certificate of the number, for which such fee as may be prescribed by the Commissioner of Internal Revenue shall be paid by the owner thereof, may sell and deliver such cigars to any purchaser, in the presence of said assistant assessor or inspector, in bulk or unpacked, without payment of the tax. A copy of the certificate shall be retained by the assistant assessor, or by the inspector, who shall return the same to the assessor of the district. The purchaser shall pack such cigars in boxes or paper packages, and have the same inspected and marked or stamped according to the provisions of law, and shall make a return of the same, as inspected, to the assistant assessor of the district, wherein the same were manufactured, and, unless removed to a bonded warehouse, shall pay the taxes on such cigars within fifteen days after purchasing them, to the collector of the district wherein they were manufactured, and before the same have been removed from the store or building of such purchaser, or from his possession; and if such purchaser shall neglect for more than fifteen days to pack and have such cigars duly inspected, and to pay the taxes thereon according to law, he shall be fined not exceeding five hundred dollars, and be imprisoned not exceeding six months, at the discretion of the court, and the cigars may be seized by the collector and shall be forfeited to the United States. And if any person, firm, company or corporation shall employ or procure any person to make any cigars, who has not the permit or the indorsement thereon required by this act, he shall be punished by a fine of ten dollars for each day he shall so employ such person, or by imprisonment not exceeding ten days. And if any person shall be found making cigars without such permit, or the indorsement thereon, the collector of the district may seize any cigars, or tobacco for making cigars, which may be found in possession of such person, and the same shall be forfeited to the United States and sold; and the proceeds of such sale shall be distributed between the United States and the informer, if there be any, as provided by law (7). 18. Any person who shall sell, give away,

assessor or inspector of the district to have

or otherwise dispose of, any empty cigar box or boxes which have been stamped, without first defacing or destroying such stamps, or shall refill any cigar box without first defacing or destroying such stamp, shall on conviction of either offence be liable to a penalty of one hundred dollars or

(7) 1864, § 92. July 13, 1866, § 9.

to imprisonment not exceeding sixty days, or both, in the discretion of the court, with the costs of the trial, and it shall be lawful for any cigar inspector or revenue officer to destroy any empty cigar box upon which a cigar stamp shall be found (1).

Special Taxes.

No person or firm shall carry on certain specified trades, business or professions, until they have paid a special tax, (or as was originally styled "had taken license.") As preliminary to this special tax, the trade or business must be registered with the assistant assessor, the place where the business is to be carried on is to be stated; if a rectifier the number of barrels he purposes to rectify; if a peddler, the number of horses or mules he designs to employ or whether he designs to travel on foot; the tax is to be paid, and the proper receipt The regiven therefor by the collector. ceipt is equivalent to the former license. It should also be stated that in case of distillers, brewers, makers of tobacco, etc., a bond must also be filed, and special notices given; for the particulars of which the reader will refer to those subjects herein.

The receipt should state the name, the place and character of the business; if by a peddler whether a foot peddler, or traveling with horses or mules, and the number of them, and the time for which payment is made. Ordinarily these receipts are given annually on May first; but if the business, etc., is subsequently commenced, the receipt will bear date as of the first of the month in which applied for,

terminating on May first following.

Auctioneers, produce brokers, commercial brokers, patent right dealers, photographers, builders, insurance agents, insurance brokers and peddlers, unlike others, are not confined to a stationary place of

business.

Partners in business requires the payment of but one special tax for the partnership, with the exception of lawyers, physicians, surgeons, dentists, cattle brokers, horse dealers, peddlers, produce brokers, commercial brokers, patent right dealers, photographers, builders, insurance agents, insurance brokers and auctioneers. of these must pay the special tax though in partnership. No special tax is required for the storage of goods at other places than the place of business, nor for the sale of goods at the place of manufacture, and at their principal place of business, if no such

goods are kept (except as samples) at the said office or place of business (2).

This receipt for the special tax must be produced on demand by an internal revenue officer; and if it is not produced the presumption shall be that no tax has been paid.

In case a peddler shall refuse to exhibit his receipt when demanded, his pack, wagon, horse or mule, with his goods, may be seized, and after due proceedings, may be forfeited and sold, and the proceeds after the payment of expenses, shall be paid by the collector to the United States (3).

The executors or administrators of a person, who has paid the special tax, may carry on the business after the death of such person, without payment of an additional tax. So with the wife or child, or other legal representatives of a person de-The place of business may also be changed upon a registration with the assistant assessor and collector of such new place of business (4).

A special tax is to be paid for each pursuit carried on, when more than one is so carried on by the same person. In cases, however, where the population of a city or town is less than six thousand persons, according to the last preceding census, one special tax shall embrace the business of land warrant brokers, claim agents and real estate agents upon paying the highest

tax applicable to either (5).

The succinct and comprehensive language of the statute, in defining the several occupations subject to a special tax, is given in the words of the enactment, and the author adds thereto a summary of the more important rulings and decisions upon this subject. No part of the law has become more distinct and definitely settled; and there need to be no misunderstanding in this behalf.

1. Banks chartered or organized under a general law, with a capital not exceeding fifty thousand dollars, and bankers using or employing a capital not exceeding the sum of fifty thousand dollars, shall pay one hundred dollars; when exceeding fifty thousand dollars, for every additional thousand dollars in excess of fifty thousand dollars, two dollars. Every incorporated or other bank, and every person, firm, or company having a place of business where credits are opened by the deposit or collec-

(2) July 13, 1866, § 9.
(3) 1864, § 74.
(4) Stat. 1866, § 75.
(5) July 13, 1866, § 9.
In case there is a change of firm by the taking in of new partners, etc. a new special tax should be paid.

⁽¹⁾ March 2, 1867, § 32.

tion of money or currency, subject to be paid or remitted upon draft, check, or oron stocks, bonds, bullion, bills of exchange, for sale, shall be regarded as a bank or as a banker: Provided, That any savings bank having no capital stock, and whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors, and which does no other licensed as stall-butchers. business of banking, shall not be subject to this tax.

The tax upon a bank should be assessed upon. its chartered capital; that of a banker, upon the amount of capital used or employed.

Wholesale dealers, whose annual sales do not exceed fifty thousand dollars, shall pay fifty dollars; and if their annual sales thousand dollars, they shall pay one dollar; goods, wares, or merchandise of foreign or garded as a wholesale dealer in liquors. domestic production, not including wines, payment of the special tax imposed upon five thousand dollars, shall be regarded as commercial brokers: Provided, That no a retail dealer in liquors. person paying the special tax as a wholesale dealer in liquors shall be required to pay an additional special tax on account of the sale of other goods, wares, or merchandise on the same premises: And provided further, That, in estimating the amount of sales for the purposes of this section, any sales made by or through another wholesale dealer on commission shall not be again liquor dealer.

When a retail dealer changes his business to estimated and included as sold by the party for whom the sale was made.

Selling at wholesale under this paragraph, means selling to others to sell again, without

reference to the quantity sold.

Wholesale dealers may do business as confec-tioners and apothecaries at the same place, without additional special tax.

(1) The fractional part of one thousand dollars cannot be assessed, but the amount is carried forward to the next month, and when it amounts to one thousand dollars it is taxed.

3. Retail dealers shall pay ten dollars. Every person whose business or occupader, or where money is advanced or loaned tion it is to sell or offer for sale any goods, wares, or merchandise of foreign or domesor promissory notes, or where stocks, tic production, not including spirits, wines, bonds, bullion, bills of exchange, or prom- ale, beer, or other malt liquors, and whose issory notes are received for discount or annual sales exceed one thousand and do not exceed twenty-five thousand dollars, shall be regarded as a retail dealer.

> Retail dealers may do business as apothecaries or confectioners at the same place of busi-

When retailers sell more than twenty-five thousand dollars they must be reassessed.

They must be assessed upon the basis of all

sales made by them, except through wholesale dealers or Commission.

If a farmer sells his tobacco after its manufacture, he is a dealer or peddler, as the case may

4. Wholesale dealers in liquors whose anexceed fifty thousand dollars, for every ad-nual sales do not exceed fifty thousand ditional thousand dollars in excess of fifty dollars shall pay one hundred dollars, and if exceeding fifty thousand dollars, for and the amount of all sales within the year every additional one thousand dollars in beyond fifty thousand dollars shall be re- excess of fifty thousand dollars, they shall turned monthly to the assistant assessor, pay one dollar, and such excess shall be and the tax on sales in excess of fifty thou- assessed and paid in the same manner as sand dollars shall be assessed by the as-required of wholesale dealers. Every persessors and paid monthly as other monthly son who shall sell or offer for sale any distances are assessed and paid (1). Every tilled spirits, fermented liquors, or wines of person shall be regarded as a wholesale any kind, whose annual sales, including dealer whose business it is, for himself or sales of other merchandise, shall exceed on commission, to sell or offer to sell any twenty-five thousand dollars, shall be re-

5. Retail dealers in liquors shall pay twentyspirits, or malt liquors, whose annual sales five dollars. Every person who shall sell exceed twenty-five thousand dollars. And or offer for sale foreign or domestic spirits, the payment of the special tax as a whole-wines, ale, beer, or other malt liquors, and sale dealer shall not exempt any such per- whose annual sales, including all sales of son acting as a commercial broker from the other merchandise, do not exceed twenty-

A retail liquor dealer may sell liquors in quantities of exceeding three gallons at a time, without wholesale liquor tax. (Act of March 2, 1867.) Wholesale liquor dealers may sell liquors and

other merchandise at retail, also liquor to be drank on the premises, but all sales must be included in the basis of special tax, reassessment, etc.

A retail dealer of liquors selling out his stock at one time is not thereby made a wholesale

that of a retail liquor dealer, he should be reassessed in the difference in the rate of tax, for a proportionate part of the year.

6. Lottery ticket dealers shall pay one hundred dollars. Every person, association, firm, or corporation who shall make, sell, or offer to sell lottery tickets or fractional parts thereof, or any token, certificate, or device representing or intending to represent a lottery ticket or any fractional part

thereof, or any policy of numbers in any lottery, or shall manage any lottery, or prepare schemes of lotteries, or superintend the drawing of any lottery, shall be deemed a lottery ticket dealer: Provided, That the managers of any lottery shall give bond in the sum of one thousand dol. lars that the person paying such tax shall not sell any tickets or supplementary ticket of such lottery which has not been duly stamped according to law, and that he will pay the tax imposed by law upon the gross receipts of his sales.

7. Horse dealers shall pay ten dollars Any person whose business it is to buy or sell horses or mules shall be regarded a horse dealer: *Provided*, That one special tax having been paid, no additional tax shall be imposed upon any horse dealer for keeping a livery stable, nor upon any livery

stable keeper for dealing in horses.

8. Livery stable keepers shall pay ten dol-Any person whose business it is to lars. keep horses for hire, or to let, or to keep, feed, or board horses for others, shall be regarded as a livery stable keeper.

Hotel keepers may feed the horses of their guests, without paying tax as a livery stable keeper. It is otherwise if he makes it his business to keep, feed and board horses, for others than the sojourners of his house.

9. Brokers shall pay fifty dollars. Every person, firm, or company, whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money bank notes, promissory notes, or other securities, for themselves or others, shall be regarded as a broker: Provided, That any person having paid the special tax as a banker shall not be required to pay the

special tax as a broker.

10. Pawnbrokers using or employing a capital not exceeding fifty thousand dollars shall pay fifty dollars; and when using or employing a capital exceeding fifty thousand dollars, for every additional thousand dollars in excess of fifty thousand dollars, shall pay two dollars. Every person whose business or occupation it is to take or receive, by way of pledge, pawn, or exchange, any goods, wares, or merchandise, or any kind of personal property whatever, as security for the repayment of money lent thereon, shall be deemed a pawnbroker.

11. Land-warrant brokers shall pay twenty. five dollars. Any person shall be regarded as a land-warrant broker who makes a business of buying and selling land warrants or of furnishing them to settlers or other

persons.

12. Cattle brokers, whose annual sales do not exceed ten thousand dollars, shall pay

ten dollars; and if exceeding the sum of ten thousand dollars, one dollar for each additional thousand dollars; and such excess shall be assessed and paid in the same manner as required of wholesale dealers. Any person whose business it is to buy or sell or deal in cattle, hogs, or sheep, shall be considered as a cattle broker.

13. Produce brokers, whose annual sales do not exceed the sum of ten thousand dollars, shall pay ten dollars. Every person other than one having paid the special tax as a commercial broker or cattle broker, or wholesale or retail dealer, or peddler, whose occupation it is to buy or sell agricultural or farm products, and whose annual sales do not exceed ten thousand dollars, shall

be regarded as a produce broker.

14. Commercial brokers shall pay twenty Any person or firm whose business it is, as a broker, to negotiate sales or purchases of goods, wares, or merchandise, or to negotiate freights and other business for the owners of vessels, or for the shippers, or consignors, or consignees of freight carried by vessels, shall be regarded a commercial broker.

15. Custom-house brokers shall pay ten dol-Every person whose occupation it is, as the agent of others, to arrange entries and other custom-house papers, or transact business at any port of entry relating to the importation or exportation of goods, wares, or merchandise, shall be regarded a custom-house broker.

If a produce broker's sales exceed ten thousand dollars annually he should be treated as a commercial broker or dealer, as the case may

Persons traveling about the country as the agents of manufacturers or dealers, seeking orders for goods as agents of one person or firm only, and who are paid a salary, but receive no commissions are not required to pay tax as produce or commercial brokers.

If a commercial broker solicits an order, and it is filled, there is a sale by the broker which should be included in his monthly returns.

16. Distillers shall pay one hundred dollars. Every person, firm, or corporation, who distills or manufactures spirits, or who brews or makes mash, wort, or wash for distillation or the production of spirits, shall be deemed a distiller: Provided, That distillers of apples, grapes, or peaches, distilling or manufacturing fifty and less than one hundred and fifty barrels per year from the same, shall pay fifty dollars; and those distilling or manufacturing less than fifty barrels per year from the same shall pay twenty dollars: And provided further, That no tax shall be imposed for any still, stills, or other apparatus used by druggists and chemists for the recovery of alcohol for

pharmaceutical and chemical or scientific purposes which has been used in those processes.

Parties who make blackberry and old catawba wine by mixing distilled spirits with blackberry wine in one instance, and catawba wine in the other are rectificers: but the liquor itself is not subject to tax.

17. Brewers shall pay one hundred dol-Every person, firm, or corporation who manufactures fermented liquors of any name or description, for sale, from stitute therefor, shall be deemed a brewer. Provided, That any person, firm, or corporation, who manufactures less than five hundred barrels per year, shall pay the sum of

fifty dollars.

18. Rectifiers who shall rectify any quantity of spirituous liquors not exceeding five hundred barrels, packages, or casks, containing not more than forty gallons to each barrel, package, or cask, shall pay twentyfive dollars; and twenty-five dollars additional for each additional five hundred such barrels, packages, or casks, or any fractional part thereof. Every persons firm, or corporation, who rectifies, purifies, or refines distilled spirits or wines by any process, or who, by mixing distilled spirits or wine with any materials, manufactures any spurious imitation, or compound liquors sale, under the name of whiskey, brandy, gin, rum, wine, "spirits," or "wine bitters," or any other name, shall be reor any other name, shall be regarded as a rectifier.

19. Coal oil distillers shall pay fifty dol-Any person, firm, or corporation, who shall refine, produce, or distill petroleum, or rock oil or oil made of coal, asphaltum, shale, peat, or other bituminous substances, or shall manufacture illuminating oil, shall

be regarded as a coal oil distiller.

20. Keepers of hotels, inns, or taverns, shall be classified and rated according to the yearly rental, or, if not rented, according to the estimated yearly rental of the house and property intended to be so occupied, as follows, to wit: when the rent or valuation of the yearly rental of said house and property shall be two hundred dollars. or less, they shall pay ten dollars; and if exceeding two hundred dollars, for any additional one hundred dollars or fractional part thereof in excess of two hundred dollars, five dollars: Provided, That a payment of such special tax shall be construed to permit the person so keeping a hotel, inn, or tavern, to furnish the necessary food for the animals of such travelers or sojourners without the payment of an additional special tax as a livery stable keeper. Every

place where food and lodging are provided for and furnished to travelers and sojourners for pay shall be regarded as a hotel, inn, or tavern: Provided, That keepers of hotels, taverns, and eating-houses, in which liquors are sold by retail, to be drank upon the premises, shall pay an additional tax of The yearly rental twenty-five dollars. shall be fixed and established by the assistant assessor of the proper assessment district at its proper value; but if rented, at not less than the actual rent agreed on by malt, wholly or in part, or from any sub- the parties. All steamers and vessels, upon waters of the United States, on board of which passengers or travelers are provided with food or lodgings, shall be subject to and required to pay twenty-five dollars. Provided, That any person who shall make a false or fraudulent return concerning the actual rent mentioned in this paragraph shall be subject to a penalty therefor of double the amount of the tax (1).

The tax is based upon the rent or rental value of that portion of the premises used for hotel purposes. Usual concomitants of a hotel are barber's saloons, billiard rooms, and liquor, eigar, and news-stands. No deduction should be made from the rent or rental value of the entire premises on account of portions leased to these people. It would be otherwise when portions are leased for ordinary stores.

The keeper of a hotel, etc., is liable if his gross receipts exceed one thousand dollars, regardless of the amount of his gross profits.

21. Keepers of eating-houses shall pay ten dollars. Every place where food or re-freshments of any kind, not including spirits, wines, ale, beer, or other malt liquors, are provided for casual visitors and sold for consumption therein, shall be regarded as an eating-house. But the keeper of an eating-house, having paid the tax therefor, shall not be required to pay a special tax as a confectioner, anything in this act to the contrary notwithstanding. And keepers of hotels, inns, taverns, and eating-houses, having paid the special tax therefor, shall not be required to pay additional tax for selling tobacco, snuff, or cigars on the same premises, anything in this act to the con-

trary notwithstanding.
22. Confectioners shall pay ten dollars. Every person who sells at retail confectionery, sweetmeats. comfits, or other confects, in any building, shall be regarded as a confectioner. But wholesale and retail dealers, having paid the special tax therefor, shall not be required to pay the special tax as a confectioner, anything in this act to the

contrary notwithstanding.

23. Claim agents and agents for procuring patents shall pay ten dollars. Every person whose business it is to prosecute claims

(1) See "livery stables."

in any of the executive departments of the federal government, or procure patents shall be deemed a claim or patent agent,

as the case may bc.

24. Patent-right dealers shall pay ten dol-Every person whose business it is to sell, or offer for sale, patent rights, shall be regarded as a patent-right dealer.

Persons whose business it is to sell patent rights, should pay tax as patent-right dealers, even though they sell their own inventions.

(Note the difference between a patent-right dealer, and "patent-right agent.")

25. Real-estate agents shall pay ten dollars. Every person whose business it is to sell or offer for sale real estate for others, or to rent houses, stores, or other buildings or real estate, or to collect rent for others, except lawyers paying a special tax as such, shall be regarded as a real estate agent.

Trustees and guardians are not required to pay tax as real estate agents for renting or sell-

ing property held in trust.

26. Conveyancers shall pay ten dollars. Every person, other than one having paid the special tax as a lawyer or claim agent, whose business it is to draw deeds, bonds, mortgages, wills, writs, or other legal papers, or to examine titles to real estate, shall be regarded as a conveyancer.

Every person other than lawyer or claim agent, who makes it his business or part of it to draw deeds, etc., or to examine titles to real estate, or who holds himself out as ready to do the business is a "conveyancer," and must pay special tax. So with the preparation of claims

against the General Government.

27. Intelligence office keepers shall pay ten dollars. Every person whose business it is to find or furnish places of employment for others, or to find or furnish servants upon application in writing or otherwise, receiving compensation therefor, shall be regarded as an intelligence office keeper.

28. Insurance agents shall pay ten dol-Any person who shall act as agent of any fire, marine, life, mutual, or other insurance company or companies, or any person who shall negotiate or procure insurance for which he receives any commission or other compensation, shall be regarded as an insurance agent: Provided, That if the annual receipts of any person as such agent shall not exceed one hundred dollars, he shall pay five dollars only: And provided further, That no special tax shall be imposed upon any person for selling tickets or contracts of insurance against injury to persons while traveling by land or water.

29. Foreign insurance agents shall pay fifty Every person who shall act as agent of any foreign fire, marine, life, mu-

tual or other insurance company or companies, shall be regarded as a foreign in-

surance agent.

30. Auctioneers, whose annual sales do not exceed ten thousand dollars, shall pay ten dollars, and if exceeding ten thousand dollars shall pay twenty dollars. Every person shall be deemed an auctioneer whose business it is to offer property at public sale to the highest or best bidder: Provided, That the provisions of this paragraph shall not apply to judicial or executive officers making auction sales by virtue of any judgment or decree of any court, nor public sales made by or for executors, administrators, or guardians of any estate held by them as such (1).

31. Manufacturers shall pay ten dollars. Any person, firm, or corporation who shall manufacture by hand or machinery any goods, wares, or merchandise, not otherwise provided for, exceeding annually the sum of one thousand dollars, or who shall be engaged in the manufacture or preparation for sale of any articles or compounds, or shall put up for sale in packages with his own name or trade-mark thereon any articles or compound, shall be regarded as a manufacturer: Provided, That no special tax shall be required of any person for the

manufacture of butter or cheese.

Sugar cane is a farm product, but sugar is not. A person who manufactures sugar should pay a tax as manufacturer, even though the cane is the product of his own farm.

The carding of wool into rolls for hand spinning is not manufacturing, and no special tax is

imposed upon it.
When a manufacturer makes both exempted and taxable articles, the taxable articles also are to be taken into account in determining his liability to taxation.

The publisher of a newspaper is liable to a special tax as manufacturer if his paper and job

work exceed one thousand dollars.

The exemption or non-exemption of articles produced from a specific or ad valorem tax, does not affect the liability of the manufacturer to a special tax. So the manufacturers of any articles or compounds, or who puts up for sale with his own name or trade mark is liable to special tax, without regard to the amount.

If a person manufactures above one thousand dollars in two or more places, he pays special tax

on each.

When a manufacturer is engaged the entire year in the production of a taxable article, but his sales are from the character of the article. or other causes, not made monthly, he is entitled to the exemption of one thousand dollars per annum, if his sales do not exceed three thousand dollars annually though this may exceed two hundred and fifty dollars per month.

Blacksmiths and stencil cutters are deemed

manufacturers, if they manufacture exceeding

one thousand dollars annually.

Journeymen tailors making clothing, etc., at

(1.) Sales at auction for the United States are exempt from the gross receipt tax.

their houses, are manufacturers if they make exceeding one thousand dollars annually. But

they may employ others at the place named.

Manufacturers may without additional hability sell their wares at the place of manufacture or at principal office, provided no wares except as samples are kept at such office. If they sell goods not of their own make, it is otherwise.

32. Peddlers shall be classified and rated as follows, to wit: When traveling with more than two horses, or mules, the first class, and shall pay fifty dollars; when travelling with two horses, or mules, the second class, and shall pay twenty-five dollars; when traveling with one horse, or mule, the third class, and shall pay fifteen dollars; when traveling on foot, or by public conveyance, the fourth class, and shall pay ten dollars. Any person, except persons peddling only charcoal, newspapers, magazines, bibles, religious tracts, or the products of his farm or garden, or traveling on foot and peddling fruits, vegetables, pies, cakes and confectionery, who sells or offers to sell, at retail, goods, wares, or other commodities, traveling from place to place in the town or through the country, shall be regarded a peddler: Provided, That any peddler who sells, or offers to sell, distilled spirits, fermented liquors or wines, dry-goods, foreign or domestic, by one or more original packages or pieces, at one time, to the same person or persons, or who peddles jewelry, shall pay fifty dollars: Provided further, That manufacturers and producers of agricultural tools and implements, garden seeds, fruit and ornamental trees, stoves and hollow ware, brooms, wooden ware, charcoal, and gunpowder, delivering and selling at wholesale any of said articles, by themselves or their authorized agents, at places other than the place of manufacture, shall not therefore be required to pay any special tax: Provided further, That persons who shall sell shell or other fish, or both, traveling from place to place, and not from any shop or stand, shall be required to pay five dollars only; and no special tax shall be imposed for selling shell or other fish from hand-carts or wheelbarrows.

Every peddler should be able to produce a special tax receipt in his own name.

Peddlers of spirits, fermented liquors or wines, may also peddle tobacco and other merchandise. Peddlers may buy produce to sell again as peddlers, without liability as produce brokers.
"Original packages" are held to be pieces,

etc., as they come from the manufacturer or im-

Peddlers may sell watches and watch chains under an ordinary tax receipt as peddler. These articles are not "jewelry."

33. Apothecaries shall pay ten dollars. Every person who keeps a shop or building where medicines are compounded or prepared according to prescriptions of physicians, or where medicines are sold, shall be regarded as an apothecary. But wholesale and retail dealers, who have paid the special tax therefor, shall not be required to pay a tax as an apothecary; nor shall apothecaries who have paid the special tax be required to pay the tax as retail dealers in liquor in consequence of selling alcohol, or of selling or of dispensing, upon physicians' prescriptions, the wines and spirits officinal in the United States and other national pharmacopæias, in quantities not exceeding half a pint of either at any one time, nor exceeding in aggregate cost value the sum of three hundred dollars per annum (1).

Apothecaries who have paid tax as such are not required to pay tax as retail dealers in liquor for selling on prescriptions of physicians the wines and spirits officinal in pharmacopæias not exceeding half a pint at a time, nor exceeding three hundred dollars per annum, nor for sell-

ing alcohol.

34. Photographers shall pay ten dollars. Any person who makes for sale photographs, ambrotypes, daguerreotypes, or pictures, by the action of light, shall be regarded a photographer.

35. Tobacconists shall pay ten dollars. Any person, firm, or corporation whose business it is to manufacture cigars, snuff, or tobacco in any form, shall be regarded a

tobacconist.

36. Butchers shall pay ten dollars. Every person whose business it is to sell butchers' meat atretail shall be regarded as a butcher: Provided, That no butcher having paid the special tax therefor shall be required to pay the special tax as a retail dealer on account of selling other articles at the same store, stall, or premises: Provided further, That butchers who sell butchers' meat exclusively by themselves or agents, traveling from place to place, and not from any shop or stand, shall be required to pay five dollars only, any existing law to the contrary notwithstanding.

Butchers whose sales do not exceed one thousand dollars per year, and those who sell butchers' meat exclusively by themselves or agents traveling from place to place, pay five dollars only: but all butchers whose annual sales exceed twenty-five thousand dollars make return of sales and pay as wholesale dealers.

37. Proprietors of theatres, museums, and concert halls, shall pay one hundred dollars. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls rented or used occasionally for concerts or theatrical representations,

⁽¹⁾ See statutes. March 2, 1867.

shall be regarded as a theatre: Provided, That when any such edifice is under lease at the passage of this act the tax shall be paid by the lessee, unless otherwise stipulated between the parties to said lease.

The proprietor of a theatrical company pays special tax in each and every state in which he exhibits in any other places than those of the proprietors of which are taxed under § 37 of the

same section.

38. The proprietor or proprietors of circuses shall pay [one] hundred dollars. Every building, tent, space, or area, where feats of horsemanship or acrobatic sports or theatrical performances are exhibited, shall be regarded as a circus: Provided, That no special tax paid in one State shall exempt exhibitions from the tax in another And but one special tax shall be imposed for exhibitions within any one State.

39. Jugglers shall pay twenty dollars. Every person who performs by sleight of hand shall be regarded as a juggler. proprietors or agents of all other public exhibitions or shows for money, not enumerated in this section, shall pay ten dollars: Provided, That a special tax paid in one State shall not exempt exhibitions from the tax in another State. And but one special tax shall be required for exhibitions within any one state.

40. Proprietors of bowling alleys and billiard rooms shall pay ten dollars for each alley or Every place or building where bowls are thrown or billiards played, and open to the public with or without price, shall be regarded as a bowling alley or billiard room,

respectively.

41. Proprietors of gift enterprises shall pay one hundred and fifty dollars. Every person, firm, or corporation who shall sell or offer for sale any real estate or article of merchandise of any description whatso-ever, or any ticket of admission to any exhibition or performance, with a promise, express or implied, to give or bestow, or in any manner hold out the promise of gift or bestowal of any article or thing for and in consideration of the purchase by any person of any other article or thing, shall be regarded as a proprietor of a gift enterprise. Provided, That no such proprietor, in consequence of being thus taxed, shall be exempt from paying any other tax imposed by law, and the special tax herein required shall be in addition thereto.

42. Owners of stallions and jacks shall pay ten dollars. Every person who keeps a horse or a jack for the use of mares, requiring or receiving pay therefor, shall be regarded as the owner thereof, and shall furnish a statement to the assessor or assistant assessor, which shall contain a brief

description of the animal, its age, and place or places where used or to be used: Pro vided, That all accounts, notes, or demands for the use of any such horse or jack, the owner or keeper thereof not having paid the tax as aforesaid, shall be void.

43. Lawyers shall pay ten dollars. Every person who for fee or reward shall prosecute or defend causes in any court of record or other judicial tribunal of the United States or of any of the States, or whose business it is to give legal advice in relation to any cause or matter whatever, shall be deemed

to be a lawyer (1).

44. Physicians, surgeons, and aentists shal pay ten dollars. Every person (excep apothecaries) whose business it is, for fee and reward, to prescribe remedies or per form surgical operations for the cure of any bodily disease or ailing, shall be deemed

a physician, surgeon, or dentist (2).

45. Architects and civil engineers shall pay ten dollars. Every person whose busines it is to plan, design, or superintend the construction of buildings, or ships, or of roads, or bridges, or canals, or railroads shall be regarded as an architect and civi engineer: Provided, That this shall not in clude a practical carpenter who labors on building.

46. Builders and contractors shall pay ter Every person whose business it i dollars. to construct buildings, or vessels, or bridges or canals, or railroads, by contract, whose receipts from building contracts exceed two thousand five hundred dollars in any on year, shall be regarded as a builder and con

tractor (3).

47. Plumbers and gas-fitters shall pay ter Every person, firm, or corpora tion, whose business it is to fit, furnish, o sell plumbing materials, gas-pipes, gas-burn ers, or other gas-fixtures, shall be regard ed a plumber and gas-fitter.

(1) Lawyers do not need to pay tax as convey ancers, and there is no partnership special tax. One special tax, however, allows them to have a many offices as they choose.

They cannot do the business of a claim-ager or commercial broker under their special tax receipt, but they, may collect rents, etc., for clients without being considered real-estatements. agents.
(2) Veterinary surgeons are liable to specific

tax as other surgeons.
(3) If a builder commences business in March and makes a contract for one hundred thousan dollars, he should pay special tax for the ba ance of the year, and the tax is estimated a follows: The lowest special tax being twenty five dollars per annum, the proportion for tw months is four dollars and one-sixth, to whice is to be added one dollar for each thousand do lars in the contract in excess of twenty-five lars in the contract in excess of twenty-five thousand dollars. The same rule would apply to sub-contractors.

48. Assayers, assaying gold and silver, or either, of a value not exceeding in one year two hundred and fifty thousand dollars, shall pay one hundred dollars, and two hundred dollars when the value exceeds two hundred and fifty thousand dollars and does not exceed five hundred thousand dollars, and five hundred dollars when the value exceeds five hundred thousand dol-Any person or persons or corporation whose business or occupation it is to separate gold and silver from other metals or or silver, or both, are alloyed, combined, or united, or to ascertain or determine the quantity of gold or silver in any alloy or combination with other metals, shall be deemed an assayer.

49. Miners shall pay ten dollars. Every person, firm, or company, who shall employ others in the business of mining for coal, or for gold, silver, copper, lead, iron, zinc, spelter, or other minerals, not having paid the tax therefor as a manufacturer, and no other, shall be regarded as a miner: Provided, That this shall not apply to any miner whose receipts as such shall not exceed, an-

nually, one thousand dollars (1).

50. Express carriers and agents shall pay ten dollars. Every person, firm, or company, engaged in the carrying or delivery of money, valuable papers, or any articles for pay, or doing an express business, whose gross receipts therefrom exceed the sum of one thousand dollars per annum, shall be regarded as an express carrier: Provided, That but one special tax of ten dollars shall be imposed upon any one person, firm, or company, in respect to all the business to be done by such person, firm, or company, on a continuous route, and the payment of such tax shall cover all business done upon such route by such person, firm, or company, any where in the United States; and such tax shall be required only from the principal in such business, and not from any subordinate: Provided further, That draymen and teamsters owning only one dray or team shall not be required to pay such tax (2).

An express carrier or agent is subject to a tax of three per cent. on his gross receipts, although his business does not amount to one thousand

dollars per year.

Any person who shall carry on any trade, business or profession without payment of the special tax on that behalf provided, shall in ad-

(1) A miner may employ one person in the business, without license. (Series 2, No. 4.)

(2) A person employing more than one dray or team whose gross receipts exceed one thousand dollars per year pays the special tax of ten doldition to the payment of the tax be subject to a fine or penalty of not less than ten dollars, nor more than five hundred dollars. If a manuficturer of tobacco, snuff, or cigars, or wholesale, or retail dealer in liquor, he shall further be liable to imprisonment for a term of not less than sixty days, and not exceeding two years (3).

51. Grinders of coffee or spices shall pay one hundred dollars. Any person who manufactures or prepares for use and sale, by grinding or other process, coffee, spices, or mustard, or adulterated coffee, spices, or mustard, or any article or compound inmineral substances with which such gold tended for use in the adulteration of or as substitutes for coffee, spices, or mustard, shall be regarded as a grinder of coffee or spices: Provided, That any person who shall roast coffee for use and sale shall be required to pay the special tax herein imposed upon grinders of coffee or spices.

It was also expressly provided by the law of March 2, 1867, that apothecaries, butchers, confectioners, and plumbers and gasfitters, whose annual sales exceed twentyfive thousand dollars, shall pay, in addition to the special tax now required by law, one dollar for every thousand dollars in excess of said twenty-five thousand dollars; and the taxes on such excess shall be assessed and paid in the manner provided in the case of wholesale dealers. And by the law of July 13, 1866, that the special tax shall not be imposed upon apothecaries, confectioners, butchers, keepers of eating-houses, hotels, inns, or taverns, or retail dealers, except retail dealers in spirituous and malt liquors when their annual gross receipts shall not exceed the sum of one thousand dollars, any provision of law to the contrary notwithstanding; the amount of such annual receipts to be ascertained or estimated in such manner as the Commissioner of Internal Revenue shall prescribe, as well as the amount of all other annual sales or receipts where the tax is graduated by the amount of sales or receipts; and where the amount of the tax has been increased by law above the amount paid by any person, firm, or company, or has been understated or underestimated, such person, firm, or company shall be again assessed, and pay the amount of such increase: Provided, That when any person, before the passage of this act, has been assessed for a license, the amount thus assessed being equal to the tax herein imposed, for the business covered by such license, no special tax shall be assessed until the expiration of the period for which such license was assessed.

No special tax is imposed upon vintners who sell wine of their own growth at the

^{(3) 1867, § 9.} Amendment of § 73, law of 1864.

place where the same is made, nor upon apothecaries for spirituous liquors used exapothecaries for spirituous liquors used exclusively in the putting up of medicines; nor are physicians taxed for keeping on hand medicines used solely for making up

for any other farm products (1).

The payment of a special tax gives no authority to carry on prohibited employment in the several States (2). prescriptions for their own patients, nor farmers as manufacturers of butter and

cheese from milk from their own cows, or

(1) July 13, 1869, § 9. (2) Ibidem.

SPECIFIC AND ADVALOREM

TAXES UPON MANUFACTURES

These taxes are given in detail in § 94 of the act of 1864, § 9 of the act of July 13, 1866, and § 9 of the act of 1867. The amended statute of 1864, § 94, will be found in the Appendix. We here insert the abbreviated detail of these enumerated provisions, with notes of the prominent decisions and rulings in regard to them, being the latest construction of this important section of the law.

*1. A gricultural implements, not 5 per cent. specially exempted,

The castings for these are considered taxable castings.

Boilers, water tanks, and sugar tanks,

5 per cent

4. Boots and shoes, including those made of India rubber, and shoe-strings,

2 per cen..

 $5\frac{1}{3}$. Brandy made from grapes, per gallon (1),

\$1 00 .5 per cent.

6. Brushes, 7. Bullion, gold in lumps, in-

\frac{1}{2} of 1 per cent.

gots, or bars, 8. Bullion, silver in lumps,

ingots, or bars, $\frac{1}{2}$ of 1 per cent. 5 per cent.

9. Candles, 10. Carpeting made of wool, or of which wool is the chief component mate-

rial or component material of chief value, $2\frac{1}{2}$ per cent.

 $10\frac{1}{2}$. Carpetings not otherwise

provided for, 5 per cent. 11. Carriages, 5 per cent.

*The numbers which precede each item are the numbers adopted originally by the Department for the use of revenue officers and preserved in the amendments. Where the order of numbering is not preserved, it indicates that such numbered item has become an "exempt article" by subsequent statutes.

(1) If any person shall put up, sell or dispose of any fluid under this name, which shall not be really such, he shall be punished for each offence by fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, or both, at the discretion of the court, and such fluid or compound shall be forfeited. 1867, ⋛ 12.

12. Cars railroad,

13. Chemical productions uncompounded, not otherwise provided for,

14. Chocolate and cocoa prepar-

ed, per pound, $17\frac{1}{2}$. Cigars, cigarettes and cheroots of all descriptions, per thousand,

18. Clocks, clock movements and

19. Cloth and all textile knitted or felted fabrics

made of cotton,

21. Cloth and all textile, knitted or felted fabrics, other than those made of flax or jute exclusively, and not otherwise enumerated,

22. Cloth, painted, enameled, shirred, tarred, varnished or oiled,

23. Clothing, articles of, made from India rubber, or gutta percha,

24. Clothing, articles of, not of wool, made by weaving, knitting or felting, or from fur or fur skins,

25. Clothing, articles of, made from fur, valued at \$20 or less,

5 per cent.

5 per cent.

 $1\frac{1}{2}$ cents.

\$5 00.

5 per cent.

2 per cent.

The changes made by the act of March 2, 1867, with regard to the tax on clothing, are made with a view to the reduction of tax in all cases. The tax on hats, caps, bonnets, and hoods of all

descriptions, two and a half per cent., no matter of what material made, or the mode of making, whether by sewing, weaving, knitting, braiding or felting.

On clothing or articles of dress for the wear of men, women or children, made by weaving, knitting or felting, from wool, or of which wool is the component material of chief value, the tax is two and a half per cent. ad valorem. If wool is not the article of chief component value, the tax is five per cent.

Clothing or articles of dress not specially enu-

merated made by sewing, for the wear of men, women or children, from cloths or fabrics, on which a tax or duty has been paid, are ex-

empt.

The act of July 13, 1866, exempts "articles of dress made or trimmed by milliners or dress-makers for the wear of women and children." This exemption does not apply to articles made or trimmed by parties who merely carry on the business of manufacturing them, who furnish material and employ others to do the work, but do not personally engage in the work, but do not personally engage in the actual manual labor, nor to dealers in millinery goods who trim labor bonnets and hats. The act of March 2, 1867, makes no change in this respect.

When a dealer purchases bonnets or hats upon which a duty has been paid, and trims and sells the same he becomes liable to a tax on

the increased value.

Ready made clothing is to be taxed where it is sold, even if it be put out by the dealer to be made up in another district. Hats, bonnets, leather, boots, shoes, etc., are to be taxed where made.

27. Coffee, roasted or ground, and all substitutes therefor, per pound,

1 cent.

28. Confectionery, valued at 20 cents per pound or less, per pound,

2 cents.

29. Confectionery, valued at over 20 cents per pound and not over 40 cents per pound,

4 cents.

30. Confectionery, valued at over 40 cents per pound or when sold otherwise than by the pound,

10 per cent.

31. Copper, zinc and brass tubes, nails and rivets,

5 per cent.

32. Cotton, raw, per pound, $2\frac{1}{2}$ per cent. 1. The former tax was three cents per pound, but after the first of September, 1867, the rate is two and one-half cents,—upon all cotton produced in the United States, subject to a deduction of four per cent. from gross weight for tare: the tax to be a lien till paid (1).

2. The drawback on raw cotton is allowed, but no tax is imposed on imported cotton (2).

3. The tax is levied on the producer, owner or holder, and to be paid in the district where produced, and before removed. The evidence of payment of the tax is to be marked on the bale and the collector gives "permit" for its removal, stating the payment of the tax, the place and time of payment, and the weight marked on. Of these he keeps careful record, and makes due return to the Commissioner of Internal Revenue, monthly (3).

4. The Commissioner designates certain places where cotton may be marked, or in different places if the expenses are paid (4).
5. All cotton having been weighed and marked as herein provided, and for which permits shall have been duly obtained of the assessor, may be removed from the district in which it may be removed from the district in which it has been produced to any one other district, without prepayment of the tax due thereon, upon the execution of such transportation bonds or other security and in accordance

(1) July 13; 1866. March 2, 1867, § 1.

2) Ibidem.

July 13, 1866, § 2. (4) Ibidem, § 3.

with such regulations as shall be prescribed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury. The said cotton so removed shall be delivered to the collector of internal revenue or his deputy forthwith upon its arrival at its point of destination, and shall remain subject to his control until the taxes thereon, and any necessary charges of custody thereof, shall have been paid, but nothing herein contained shall authorize any delay of the payment of said taxes for more than ninety days from the date of the permits; and when cotton shall have been weighed and marked, for which a permit shall have been granted without prepayment of the tax, it shall be the duty of the assessor granting such permit to give immediate notice of such permit to the collector of internal revenue for the district to which said cotton is to be transported, and he shall also transmit therewith a statement of the taxes due thereon, and of the bonds or other securities for the payment thereof, and he shall make full re-turns and statements of the same to the Commissioner of Internal Revenue (5)

6. Transportation of cotton is unlawful without payment of the tax is shown, and the permits for removal of same to be obtained before landing the same, under penalty of one hundred dollars for each bale, or imprisonment not exceeding one year, or both, and the seizure and forfeiture of the vessels employed in the conveyance. The cotton shall also be

forfeited (6).

7. Every manufacturer of cotton in a producing district, shall make monthly sworn statements of the cotton he had "on hand" on the first of August, 1866; each subsequent statement shall show the amount purchased and consumed in the last preceding calendar month, and the goods manufactured; which particulars shall be entered in a book kept for the purpose; also of the names of the parties from whom he purchased said cotton, etc.; which book

shall be open to inspection (7).

This tax shall be paid monthly by such manufacturers, on all cotton so consumed, on which the tax had not been previously paid, under a penalty of a forfeiture of all cotton in his possession, and a fine of not less than any thousand dellars nor more than five one thousand dollars, nor more than five thousand dollars, or to imprisonment not ex-ceeding two years; but nothing herein con-tained shall affect the liability for any tax imposed by law on the goods manufactured from such cotton (8).

9. The provisions of law in relation to the assessment of and collection of tax, and the remedies therefor shall apply to cotton, and the appointment of all necessary weighers, inspectors, etc., shall be by the Secretary of the Treasury, and the compensation determined by the Commissioner as in case of inspectors of tobacco (9).

of tobacco (9).

(5) July 13, 1866. March 2, 1867, § 4. (6) July 13, 1866, § 5. (7) Ibidem, § 7. (8) Ibidem.

(8) Indem.
(9) Ibidem. § 8.

Those desiring a thorough knowledge of this important matter, will not fail to consult the regulations of the department, Series 2, No. 5, of July 31, 1866. The transportation of cotton in bond of Oct. 22, 1866, and especially Series 3, No. 5, of Sont 16, 1867, regulating the whole No. 5, of Sept. 16, 1867, regulating the whole matter.

\$5 00.

5 per cent. 34. Cutlery, 35. Diamonds, emeralds, precious stones, and imitations thereof, and all other jewelry, 5 per cent. *37. Fermented liquors, per bar-\$1 00 38. Fire arms, 5 per cent. 5 per cent. 39. Furniture, 40. Gas, monthly product not over 200,000 cubic feet, 10 cents. per thousand cubic feet, 41. Gas, monthly product over 200,000 and not over 500,000 cubic feet, per 15 cents. thousand cubic feet, 42. Gas, monthly product over 500,000 cubic feet and not over 5,000,000 cubic feet, per thousand 20 cents. cubic feet, Fas, monthly product over 5,000,000 cubic 43. Gas, monthly feet, per thousand cubic 25 cents. 44. Gas fixtures and chande-5 per cent. liers, 45 Glass manufactures, exclusively of other than window glass, 3 per cent 48. Gun cotton, 5 per cent. 49. Gunpowder, blasting, in $\frac{1}{2}$ cent. kegs or casks, per pound, Gunpowder, sporting, in 1 cent. kegs, per pound, $50\frac{1}{2}$. Gunpowder, canister, per 5 cents. pound, percha, manufac-51. Gutta tures of, not elsewhere enumerated, 5 per cent. 53. Hats, caps, bonnets, and hoods, of all descriptions, 2 per cent. 2 per cent. 54. Hoop skirts, 55. India rubber, manufactures of, not elsewhere enu-5 per cent. merated, 60. Iron castings, not specially \$3 00 exempted, per ton,

1. Castings made for particular articles, machines or structures, all of which are enumerated, as for instance, castings for locks, safes, looms, spinning machines, steam engines, hot air and hot water furnaces, sewing machines, cars and scales, and castings for iron bridges, are exempt.

2 Castings of a particular kind or for a particular use, as malleable iron castings, unfinished, and castings for hollow ware, are exempt.

3. Castings for articles which are not enumerated, but which articles are taxable in a finished state, are exempt.

4. Castings for machinery are exempt.

t. All other castings are taxable at three dollars per ton, viz:

1. Castings for buildings or permanent structures, except castings for iron bridges.

2. Those which are complete articles in themselves, and not made constituent or component parts of other articles.

3. Castings which are intended for the constituent parts of other articles, except such as are used in the manufacture of shafting or gearing (machinery); and of cars, scales, articles, machines, or engines on which a tax is paid in the finished state.

Any article of casting, complete in itself, is taxable in casting at three dollars per ton, and again for increased value as a finished article when completed by japanning, plating, etc., at the rate of five per cent. ad valorem.

Castings for furnaces to be set in brick are taxable as castings; portable furnaces are to be taxed five per cent. ad valorem, at the place

where they are set up.

61. Iron, cut nails and spikes, not including nails, tacks, brads or finishing nails usually sold in papers, per ton,

64. Iron railings, gates, fences and statuary, 5 per cent.

65. Iron stoves, per ton, \$3 00. 66. Iron tubes, wrought, per ton, 5 00.

67. Iron, manufacturers if not specially exempted, and not elsewhere enumerated,

ted, 5 per cent.

Iron and copper lightning rods are taxed at five per cent.

. 68. Lamps and lanterns, other

than magnesium lamps, 5 per cent. 69. Lead, sheet, lead pipes and

shot, 5 per cent! 70. Leather of all descriptions,

curried, finished or oil dressed (1), $2\frac{1}{2}$ per cent. 71. Leather of all descrip-

tions, tanned or partially tanned, in the rough (2), $2\frac{1}{2}$ per cent.

72. Leather, patent, enameled, or japanned, and

skins, $2\frac{1}{2}$ per cent. When leather or skins have paid tax in the rough or as tanned leather, the additional tax is to be assessed on the increased value only, when dressed, curried or finished, and at the rate of two and a half per cent.

73. Machinery, including shafting and gearing, and mechanics tools not specially exempted, 5 per cent.

(1) The article made of the scraps of waste leather, pasted together and pressed, of various thickness, used for boot and shoe heels, inner soles, thickenings, and stiffenings for shee counters, and known as shoddy leather, is a manufacture, not otherwise provided for.

facture, not otherwise provided for.

(2) Leather belting is taxable for its full value as belting; the leather if purchased in the rough and prepared, is Kable to a manufacturing

tax.

^{*}See subject of "Fermented Liquors."

75.	Mouldings of wood not	,	ate	and distinct item in the bill,	according to
	specially exempted,	5 per cent.	the	custom of the trade, it woulded in fixing the value of t	d not be in-
76.	Monuments of stone, val-		pur	poses of taxation. In such case	se the charge
	ued at over \$100,	5 per cent.	for	the box must not exceed its	cost or value.
77.	Oil produced from petro-		and	l an undervaluation of the soa aation of the box, would be re	p or an over-
	leum, marking not less		atte	empt at fraud upon the reven	garded as an ue.
	than 36°, nor more than				
	59° Baumè, per gallon,	20 cents.	99.	Spices, ground, dry mus-	
78,	Oil produced from petro-			tard, and all substitutes	
	leum, marking more		700	therefor, per pound,	1 cent.
	than 59° and not more	,	100.	Spirits, distilled from ap-	
	than 70° Baumè, per	10		ples or peaches, per gal-	ΦΩ ΩΩ
70	gallon,	10 cents.	101	lon,	\$2 00
19.	Oil produced from coal,		101. /	Spirits, distilled from other	eo 00
•	shale, or other bitumi-		109	materials, per gallon, Steam locomotives and ma-	\$2 00
	nous substances, marking not less than 36° nor		104. /		5 non cont
	more than 70° Baumè,		104	rine engines, Sugar, per pound,	5 per cent. 1 cent.
	per gallon,	10 cents.		Sugar, refined,	2 per cent.
80.	Oils, essential, of all de-	To cents.	108	Thread,	5 per cent.
00.	scriptions,	5 per cent.		Tin ware, other than for	o per cent.
81.	Paper, not specially ex-	o per cent.	100.	domestic or culinary	
 -	empted,	3 per cent.		purposes (1),	5 per cent.
82.	Paper collars, and all arti-	o por corre	110.	Tobacco, chewing, per lb.,	40 cents.
	cles of dress made of			Tobacco, smoking, sweet-	
	paper,	2 per cent.	7	ened, stemmed or but-	
83.	Photographs, or other pic-	1		ted, per pound,	40 cents.
	tures taken by the ac-		112.	Tobacco, smoking, not	
	tion of light not specially			sweetened, stemmed or	
	exempted,	5 per cent.		butted, including that	
84.	Piano Fortes, and other	•		made of stems or in part	
	musical instruments	5 per cent.		of stems, per pound,	15 cents.
	Pins,	5 per cent.	113.	Tobacco, twisted by hand,	}
	Plated and brittania ware,	5 per cent.		and not pressed, sweet-	
88.	Saddlery, harness, trunks,			ened, or otherwise pre-	
	and valises,	5 per cent.		pared, and from cut	
	Safes, fire or burglar proof,	5 per cent.		sheets, per pound,	30 cents.
	Scales,	3 per cent.	114.	Turpentine spirits of, per	40
92.	Screws, commonly called	<u> </u>	446	gallon,	10 cents.
00	wood screws,	5 per cent.		Watches and watch chains,	5 per cent.
	Sewing machines,	5 per cent.	111.	Wine, produced by being	
	Silk, manufactures of,	5 per cent.		mixed with other spirits,	
	Silver ware,	5 per cent.		and not otherwise pro-	50 conta
90.	Snuff, of all descriptions,	40 cents.	118	provided for, per gallon, Wine, made in imitation	50 cents.
97	per pound,	40 cents.	110.	of imported sparkling	
01.	Soap, common brown in bars, sold for seven cents	The section of the se		wine, when put up in	
	per pound or over; salt			bottles containing not	
	water soap, made of co-			more than one pint, per	
	coanut oil and soap, val-			dozen,	\$3 00.
	ued at three cents per		119.	Wine, made in imitation	π
	pound, not perfumed,			of imported sparkling	
	per pound,	$\frac{1}{2}$ cent.		wine, in bottles contain-	
98.	Soap, perfumed, per lb.,	3 cents.		ing more than one pint,	
				and not more than one	
Any s	coap, other than "common brod above three cents per popular	own in bars,"		quart, per dozen,	\$6 00.
mo	d above three cents per poude on brown in bars" if sold	above seven			
cer	nts a pound is taxable. The p	rice at which			
soa	ip is sold determines its lia	bility. This		Fin ware manufactured from s	
	ce is the sum paid by the p soap, without any deduction			st stamped, and afterwards tin omestic or culinary purpose	
per	ases of sale. If the box co	ntaining the	from	tax the same as though ti	
soa	ip is charged to the purchase	er as a separ-	stamp	ing.	
				_	

*120. Manufactured articles which are increased in value by being polished, painted, etc., etc., on such increased value, 121. Manufactures, not else- where enumerated nor	A person who dresses cloth for farmers or others which they have made for their own use pay a tax on entire value. Harnesses are taxed at five per cent.; but when a party buys a harness on which a tax has been paid, and sells again, or part of the harness, he may deduct the cost of the collars.
specially exempted, 5 per cent. 121½. Woolen cloth, and all fabrics or articles made of wool, or of which wool is the chief component	Table of Gross Receipts.
material, or component material of chief value, not elsewhere enumerated, $2\frac{1}{2}$ per cent. Muslin window shades are taxed five per cent. upon their entire value, although the muslin	124. Canals, 21/2 125. Express companies, 3 126. Ferries, 21/2 127. Insurance companies, 11/2 128. Lotteries and dealers, 5 129. Railroads, 21/2 130. Ships and barges, 21/2
*See Appendix, title, "Manufacturers and their Productions."	131. Stage coaches, 2½ 132. Steamboats, 2½ 133. Telegraph companies, 3 134. Theatres, operas, circuses and museums, 2;

ARTICLES EXEMPT FROM TAXATION.

By the acts of March 3, 1865, § 1, July 13, 1866, § 10, and March 2, 1867, large lists of articles and products were made exempt from tax. By the statute of 1865,—

Alcohol made or manufactured of spirits or materials upon which the duties imposed by law shall have been paid;

Boards, shingles, laths, and other lumber;

Bone dust, plaster or gypsum;

Butter, cheese, concentrated milk, cider, and cider vinegar, and sugar or molasses made from other articles than the sugarcane;

Charcoal, coke, all flour and meal made from grain, bread and breadstuffs;

Flax prepared for textile or felting purposes until actually woven;

Malt, burning fluid, printers' ink;

Marble and slate or other building stones in block, rough and unwrought;

Matchwood, umbrella stretchers;

Newspapers;

Paraffine, whale and fish oil;

Staves, hoops, shooks, headings, and timber partially wrought and unfinished for chairs, tubs, pails, hubs, spokes, felloes, snaths, lasts, shovel and fork handles;

Value of the bullion used in the manufac-

ture of silver ware;

Silver bullion rolled or prepared for platers' use exclusively, and cut tapes and small wares used in the manufacture of hoopskirts, shall be, and hereby are, exempt

from duty.

And also all goods, wares, and merchandise, and articles not specially named and taxed, and which are made or manufactured from materials which have been subject to and upon which internal duties have been actually paid, or materials imported upon which duties have been paid or upon which no duties have been imposed by law, where the increased value of such goods, wares, or merchandise, and articles so made or manufactured, shall not exceed the amount of

five per centum ad valorem, shall be, and hereby are, exempt from duty.

By the statute of 1866,—

Alum; aluminum; aluminous cake, patent alum, sulphate of alumina, and cobalt;

Aniline and aniline colors;

Animal charcoal, or carbon;

Anvils:

Articles manufactured in institutions for the blind, and in institutions for the deaf and dumb, which are sold to aid in their support, or the support of the pupils, but not including distilled spirits, mineral oil, tobacco, snuff, and cigars;

Barrels and casks, other than those used for the reception of fluids; packing-boxes made of wood; and boxes of wood or paper for friction matches, cigar lights,

and wax tapers (1);

Beeswax, crude or unrefined;

Bi-chromate and prussiate of potash;

Bleaching powders;

Blue vitriol;

Borax, and boracic acid;

Brass not more advanced than rods or

sheets;

Brick, fire-brick, draining tiles, cement, drain and sewer pipes, earthen and stone water-pipes, retorts and tiles made of clay;

Bristles:

Brooms made from corn, brush, or palm-

leaf:

Building stone of all kinds, including slate, marble, freestone, and soapstone, and rock, and ground gypsum;

Bunting and flags of the United States, and banners made of bunting of domestic manufacture;

ties have been actually paid, or materials Burrstones, millstones, and grindstones,

rough or wrought (2);

Candle wicking; Chronometers;

(1) Barrels and casks made from material other than of wood are taxable.

(2) This does not include whetstones.

Coffins and burial cases;

Copperas;

Copper, lead, and tin, in ingots, pigs, or bars; Copper and yellow sheathing metal, not more advanced than rods or sheets;

Crates, and grain or farm baskets made of

splints;

Crucibles of all kinds;

Crutches and artificial limbs, eyes, and

teeth:

Deer-skins, smoked, or not oil-dressed; Feather beds, mattresses, palliasses, bolsters, and pillows;

Fertilizers of all kinds;

Flasks and patterns used by founders; Flax and the manufactures thereof;

Flavoring extracts solely for cooking purposes;

German silver in bars or sheets;

Gold leaf and gold foil;

Hemp and jute prepared for textile or felting purposes;

Hulls of ships and other vessels;

Illuminating gas manufactured by educational institutions for their own use exclusively;

India-rubber springs used exclusively for

railroad cars;

Iron bridges, and castings for iron bridges:

Iron drain and sewer pipes;

Keys, actions, and strings for musical instruments;

Litharge and orange mineral;

Machines driven by horse-power and used exclusively for cutting firewood, staves, and shingle bolts; and hand-saws:

Magnesium, calcined magnesia, and carbon-

ate of magnesia;

Malleable iron castings, unfinished;

Manganese;

Masts, spars, ship and vessel blocks, and tree-nail wedges and deck plugs, cordage. ropes, and cables made of vegetable fibre;

Medicinal and mineral waters, of all kinds, sold in bottles or from fountains, and

mead:

Mounting and machinery of telescopes for

astronomical purposes;

Mills and machinery for the manufacture of sugar, sirup, and molasses from sorglium, impliee, beets and corn;

Mineral coal of all kinds, and peat;

Monuments of all kinds, not exceeding in value the sum of one hundred dollars Provided, That monuments exceeding the value aforesaid, erected by public or pri-

(1) All other mouldings are liable to a tax of

five per cent. ad valorem.

For an interesting decision as to other mouldings, see opinion of the Commissioner, of July 24, 1867. (Int. Rev. Record, Vol. 5, page 35.)

vate contributions to commemorate the service of Union soldiers who have fallen in battle, shall be exempt from taxation; Mouldings for looking-glasses and picture

frames (1);

Muriatic, nitric, and acetic acids; Nickel, quicksilver, and sodium;

Nitrate of lead:

Oakum;

Original paintings, statues, and groups of statuary and casts made thereof by the artist from the original designs;

Oxide of zinc;

Paints, painters' and paper stainers' colors; Printing paper of all descriptions; and tarred paper for roofing and other purposes; books, maps, charts, and all printed matter, and book-binding; paraffine; paraffine oil, not exceeding in specific gravity thirty-six degrees Baume's hydrometer, a residuum of distillation or the products thereof; lubricating oil made from crude petroleum, coal, or shale, not exceeding in specific gravity thirty-six degrees Baume's hydrometer. Provided, That such oil shall be subject to the same inspection as illuminating oil; crude petroleum, and crude oil the product of the first and single distillation of coal, shale, asphaltum, peat, or other bituminous substances;

Photographs or any other sun picture, being copies of engravings or works of art, when the same are sold by the producer at wholesale at a price not exceeding fifteen cents each, or are used for the illus-

tration of books;

Pickles when sold by the gallon and not contained in glass packages;

Pig-iron; muck bar; blooms, slabs and

loops;

Ploughs, cultivators, harrows, straw and hay-cutters, planters, seed-drills, horserakes, hand-rakes, cotton-gins, graincradles, and winnowing-mills;

Pot and pearl ashes;

Productions of stereotypers, lithographers. engravers, and electrotypers;

Putty;

Quinine, morphine, and other vegetable

alkaloids, and phosphorus;

Railroad iron, and railroad iron re-rolled; Railroad chairs and fish plates; railroad, boat, and ship spikes; axe polls; iron axles; shoes for horses, mules, and rivets, horseshoe nails, nuts, washers, and bolts; vises, iron chains, and anchors; when such articles are made of wrought iron which has previously paid the tax or duty assessed there-

Reapers, mowers, threshing-machines, and

separators; corn-shellers and wooden ware; cotton and hay-presses;

Repairs of articles of all kinds;

Residuums, the product of mineral, vegetable, or animal substances drawn from stills after distillation;

Roman and water cements and lime;

Roofing slate, slabs, and tiles;

Saleratus, sal soda, caustic soda, crude soda, alumino-silicate of soda; aluminate of soda; bicarbonate of soda; and silicate of soda;

Sails, tents, awnings, and bags made by sewing from fabrics or other articles upon which a duty or tax has been paid;

and bags made of paper;

Saltpetre; Salts of tin;

Silex used in the manufacture of glass; Soap, valued at not above three cents per pound;

Spelter;

Spindles and castings of all descriptions made specially for locks, safes, looms, spinning machines, steam engines, hotair and hot-water furnaces, and sewing machines, and not sold or used for any other purposes, and upon which a tax is assessed and paid on the article of which the casting is a part;

Spokes, hubs, bows, and felloes; poles, shafts, arms, and wheels not ironed or finished for carriages or wagons; wooden handles for ploughs, and for other agricultural, household, and mechanical tools and implements; and pail and tub ears and handles; and wooden tanks, and cis-

terns for crude mineral oil;

Starch;

Steel, made from iron advanced beyond muck bar, blooms, slabs, or loops in ingots, bars, rails made and fitted for railroads, sheet, plate, coil, or wire, loopskirt wire, covered or uncovered; carwheels, thimble skeins and pipe boxes, and springs, tire and axles made of steel, used exclusively for vehicles, cars or locomotives; and clock springs, faces and hands;

Stoves, composed in part of cast-iron and in part of sheet-iron, or of soapstone, fire-brick, or freestone, with or without cast-iron or sheet-iron: *Provided*, That the cast and sheet-iron shall have paid the tax or duty previously assessed thereon;

Sugar, molasses, or sirup made from beets, corn, sugar, maple, or from sorghum, or imples.

imphee;

Tin cans for transporting milk to cheese factories, to market or from which milk is sold by milkmen are not exempted.

Sulphate of barytes;

Sulphur, flowers of sulphur, and sulphur

Tar and crude turpentine;

Tin cans used for preserved meats, fish, shell-fish, fruits, vegetables, jams, jellies, paints, oils, and spices;

Umbrellas and parasols, and sticks and

frames for the same;

Value of bullion used in the manufacture of wares, watches, and watch-cases, and bullion prepared for the use of platers

and watchmakers;

Vegetable, animal, and fish oils of all descriptions, not otherwise provided for, including red oil, oleic acid, and admixtures of the same with paraffine oil, not exceeding in specific gravity thirty-six degrees Baume's hydrometer;

Verdigris;

Vinegar;

White and red lead; Whiting; Paris white;

Window glass of all kinds;

Wine made of grapes, currants or other

fruits, and rhubarb;

Wire made from wire less than number twenty wire gauge, upon which a tax has been assessed and paid as wire; and no manufactured wire shall pay a greater tax than that imposed on number twenty wire gauge;

Yarn and warp for weaving, braiding or manufacturing purposes exclusively;

Yeast powders and baking powders; Zinc, in ingots or sheets.

By statute of 1866, § 12, it is provided that apothecaries who manufacture, for their own dispensation and sales to consumers and to physicians, the medicines compounded according to the United States or other national pharmacopæias, or of which the full and proper formula is published in any of the dispensatories now or hitherto in common use among physicians or apothecaries, or in any pharmaceutical journal now issued by any incorporated college of pharmacy, shall not be regarded as manufacturers under this act. But apothecaries and all other persons who manufacture for the dispensing and sales of others, or who make and advertise any article, medicinal or otherwise, simple or compound, with any special proprietary claim to merit, or to special advantage in use or effect, whether such claim be based on the properties, qualities, price, or any other distinctive or distinguishing characteristic, whether real or pretended, of the articles so made and advertised, whether such article be or be not made according to the authorities above

cited in this section, shall be regarded as manufacturers under this act.

By the statute of March 2, 1867, the following additional list of exempt articles and products was made, viz:

Alcoholic and ethereal vegetable extracts, when sold and used solely for medicinal purposes;

Bale rope, seines and netting for seines,

twine, and lines of all kinds;

Bar, rod, hoop, band, sheet, and plate iron of all descriptions, and iron prepared for the manufacture of steel: Provided, That the exemption aforesaid shall be confined exclusively to said articles in the state and condition specified in the foregoing. Manufactures of jute; enumeration, and shall not be construed as exempting spikes, nails, or any other manufactures of iron from the taxes now imposed by law;

Brush blocks;

Canned and preserved meats, and shell fish; Carbolic acid and carbolate of lime, used solely for disinfectants;

Carpet bags and cabas frames;

Canned and preserved vegetables and fruits; Casks, churns, barrels, wooden brushes and broom handles, tanks, and kits made of wood, including cooperage of all kinds, bungs and plugs, packing boxes, nest boxes, and match boxes, whether made of wood or other materials; wooden hames, plough beams, split-bottom chairs, and turned materials for the same unmanufactured, and saddle trees made of wood, and match boxes heretofore made on which a tax has not been paid (1);

Castings of iron, copper, or brass made for machinery, cars or scales, and castings made to form a part of any article upon which, in a finished state, a tax is assess-

ed and paid;

Cast-iron hollow ware, and cast-iron hollow ware tinned, enamelled, japanned, or

galvanized;

Clock trimmings, namely: Clock work, clock pillars, sash fastenings for clocks, winding keys, verges and pendulum rods;

Clothing or articles of dress not specially enumerated, made by sewing, for the wear of men, women, or children from cloths or fabrics on which a tax or duty has been paid;

Coffee-mills, coffee grinders and roasters,

and apple-paring machines;

Copper bottoms for articles used for domestic and culinary purposes;

(1) The handles of certain agricultural, household and mechanical tools, are exempt, but not the tools themselves necessarily.

Doors, window sash, blinds, frames, and sills of whatever material (2);

Drain, gas, and water-pipe made of wood,

or cement;

Frames and handles for saws and buck-

Glue and gelatine, of all descriptions, in

the solid state.

Glue and cement made wholly or in part of glue in the liquid state.

Horse-rakes, horse-powers, tedders, hames, scythe-snaths, hay-forks, hoes, and port-

able grinding-mills;

Horse-blankets, made from cloth on which a tax or duty has been paid;

Licorice and licorice paste;

Magnesium lamps;

Molasses, concentrated molasses or melado, sirup of molasses or sugar-cane juice, and

cistern bottoms;

Oil naphtha, benzine, benzole, or gasoline, marking more than seventy degrees Baume's hydrometer, the product of the distillation, or re-distillation, or refining of crude petroleum, or of crude oil produced by a single distillation of coal, shale, peat, asphaltum, or other bituminous substances:

Palm-leaf and straw, bleached, split, prepared, or advanced by being braided or woven, but not made up into hats, bon-

nets, or hoods;

Potato hooks, pitchforks, manure and spad-

ing forks;

Pottery-ware of all descriptions, including stone, earthen, brown and yellow earthen, and common or gray stone-ware;

Pumps, garden engines, and hydraulic

rams:

Rock and root-diggers or excavators;

Root-beer and other small beer;

Saws for cotton gins, when used by the maker in the manufacture of gins (3); School-room seats and desks, blackboards,

and globes of all kinds;

Sleds, wheelbarrows, and hand-carts, and

fence made of wood;

Sole and heel-taps made of India-rubber or of India-rubber and other materials;

Shirt fronts or bosoms, wristbands or cuffs for shirts, except those made of paper; Soap, common brown, in bars, sold for less

than seven cents per pound;

Spiral springs used in the manufacture of furniture;

Stove polish or other manufacture exclu-

(2) Cast iron window sills are exempt.

(3) Hand-saws are exempt, i.e., those used by carpenters and joiners. It does not include pitsaws, cross-cut-saws, or wood-saws with frame. sively of plumbago, buck-saws, stump

machines, potato diggers;

Steel of all descriptions, whether made from muck-bar, blooms, slabs, loops, or otherwise;

Scythes;

Straw or binders' board and binders' cloth,

and straw wrapping-paper;

Tags for merchandise and direction of cloth, paper or metal, whether blank or printed; thimble skeins and pipe boxes, made of iron;

Tin-ware for domestic and culinary pur-

Ultra-marine blue;

Varnish;

Wagons, carts, and drays made to be used for farming, freighting, or lumber pur-

poses;

Washing, mangling, and clothes-wringing machines, zinc washboards, spinning and flax wheels, hand-reels, hand-looms, wooden knobs and beelives.

To each of these statutes there was attached the proviso, "that the exemptions aforesaid shall, in all cases, be confined exclusively to said articles in the state and condition specified in the foregoing enumeration, and shall not extend to articles in any other form, nor to manufactures from said articles" (1).

Manual labor schools and colleges are also exempt from a manufacturer's or special tax while the proceeds of the labor of these institutions are applied exclusively to the support or maintenance of such institutions. This, however, is not to apply to tobacco, snuff, or cigars manufactured, or to spirits distilled or petroleum refined in

or for such schools or colleges (2).

It is also provided that manufacturers delivering goods under contract made prior to the act are allowed to add to the price of such goods, so much as will be equivalent to the duty subsequently imposed, and that when the United States is the purchaser under such prior contract, a proper certificate of the Secretary of the Treasury, is taken and received in discharge of the duties so subsequently imposed (3). that goods may be purchased by the Government free of the tax (4).

(1) Consult Department "Instructions, Series 2, No. 8." concerning these exemptions; bearing in mind that they were issued before the additional exemptions of the statute of 1867.

Spring mattresses or paliasses are exempt from manufacturers' tax, but spring beds of wooden slats hung on springs are taxable.
(2) March 2, 1867, § 10.
(3) § 97. 1864.
(4) March 3, 1865.

By a supplemental act of March 26, 1867, wrapping-paper made of wood, cornstalks, or any other material, also ladders made wholly of wood, are placed among the exempt arti-

By the act of February 5, 1867, it was enacted, that alcohol made or manufactured of distilled spirits upon which the taxes imposed by law shall have been paid, and burning fluid made or manufactured from alcohol or spirits of turpentine, or camphene, upon which the taxes imposed by law shall have been paid, shall be, and hereby are, exempt from tax; and so much of § 96 of the act of June 30, 1864, as relates to alcohol and burning fluid, is hereby repealed, and all products of distillation, by whatever name known, which contain distilled spirits or alcohol on which the tax imposed by law has not been paid, shall be considered and taxed as distilled spirits.

A manufacturer of bureaus may deduct from the amount of his sales thereof, the actual cost of the marble tops, and looking-glasses used in their construction, provided the tax has already been paid on such tops and glasses.

The insignia and regalia of Masons, Odd Fel-

lows, etc., are to be taxed, as a manufacture not otherwise provided for, five per cent.

Boot and shoe uppers are not now held subject to taxation as distinct articles of manufacture.

"Leather board" made from waste leather, rags, etc.. is liable to a tax of five per cent.

Iron railings are taxed five per cent. on their entire value, but the castings of which they are made are exempt.

Manufacturer of turpentine must make his monthly returns like any other manufacturer.

Manufacturers who sell their products on time,

without interest, return their sales at the present worth of the sum for which they sell.

A tax does not accrue on the bleaching of fab-

rics when the same have not previously paid a tax. The tax accrues on the full value of the fabric thus bleached.

When cologne water is put up by the gallon, it is considered as manufactured and pays five per cent., when in bottles, etc., it must be stamp-

ed as perfumery.

When a person manufactures cloth from yarn and warps, and makes such cloth into garments, he is liable first on the cloth and then upon the garments.

Tassels on which the tax has been paid and which are not a part of the curtains, are not taxed as part of the curtain.

Kaolin or china clay, being a preparation of clay, by washing the crude material and freeing it from extraneous matter and impurities, is not a manufacture taxable.

Sales at Auction.

The tax upon the sales at auction of real estate, goods, wares, merchandise, articles including all sales of stocks, bonds, and other securities, is one-tenth of one per cent. upon the gross amount of such sales. But no duty is levied upon sales made by

judgment or decree of court, nor public sales made by guardians, executors or administrators (1).

This tax is levied, collected and paid

monthly.

Brokers.

Brokers, banks or bankers, whether their sales are made for others, or on their own

account, pay the following taxes:

1. On all sales and contracts for sale of stocks, bonds, gold and silver, bullion and coin, promissory notes or other securities, one per cent. for every one hundred dollars of such sales or contracts (2).

2. Upon all such sales or contracts for sale made by other persons than brokers, banks or bankers of this property, not their own, a tax of five cents for every one hun-

dred dollars of value (3).
3. The sale is to be made by bill or memorandum, and stamps are to be affixed to such bill or memorandum equal in value to the amount of the tax, under a penalty of five hundred dollars for each and every offence when the tax so evaded does not exceed one hundred dollars; and a penalty of one thousand dollars when the tax exceeds one hundred dollars, to be distributed between the United States and the informer; unless it appear that the omission to affix the proper stamp was not with fraudulent intent (4).

4. Commercial brokers shall pay on all their sales of goods, wares and merchandise, a tax of one-twentieth of one per cent., upon the amount of such sales; the returns to be made monthly to the assistant

assessor (5).

Sales made by or through another broker, upon which a tax has been paid shall not be included as sold by the broker for whom the sale was made (6).

Gross Receipts.

Upon the gross receipts of railroads, canals, steamboats, ships, barges, canal boats, vessels, stage-coaches, and vehicles transporting passengers or property for hire, or in transporting the mails of the United States upon contracts made prior to August 1, 1866, there shall be levied on the owners or managers thereof a tax of two and onehalf per cent (7).

- (1) July 13, 1866, § 3. (2) July 13, 1866, § 9.
- (3) Ibidem. (4) Ibidem. (5) Ibidem. (6) Ibidem.

(7) July 13, 1866, § 9.

It is provided that the tax shall not be imposed upon steamers and vessels plying between the United States and foreign ports, unless such foreign port or territory is intermediate (8).

Upon the gross receipts of every description of toll roads, ferries or bridges, authorized to receive toll for passengers or freight, a tax of two and one-half per cent., unless the receipts are less than the ex-

penses for repairs (9).

The tax may be added to the rates of fare, one cent to be added, when the addition to the fare shall amount to the fraction of one cent; tickets to be kept at convenient points in packages of twenty or multiples of the same, on which the tax only shall be added.

These taxes shall not be imposed unless the annual receipts exceed one thousand

Tug-boats or horse-boats used exclusively for carrying coal, oil, minerals, or agricultural products shall pay a special annual tax in lieu of "enrollment fees" or "tonnage tax," viz: When exceeding twentyfive and not exceeding one hundred tons, five dollars; when exceeding one hundred tons, ten dollars (10).

Express Companies.

Persons, firms, companies or corporations carrying on the express business, pay a duty of three per cent. on the gross receipts of the business (11).

Insurance Companies.

They pay one and one-half per cent. upon gross receipts of premiums, by inland, fire or marine insurance, including tickets and contracts of insurance against injury to persons traveling (12).

Foreign companies having agents in the United States pay the same tax (one and one-half per cent.,) their returns to state the amount issued, and the gross amount of the premiums, and the duties thereon (13).

Passports.

For every passport issued from the office of the Secretary of the State there shall be paid the sum of five dollars; which amount may be paid to any collector appointed un-

(8) March 2, 1867, § 9. (9) Ibidem, § 34.

(10) 1867, March 2, § 34. (11) 1864. § 104. (12) March 3, 1865, § 1.

(13) Ibidem.

der this act, and his receipt therefor shall be forwarded with the application for such passport to the office of the Secretary of State, or any agent appointed by him, to be transmitted to the Commissioner of Internal Revenue, there to be charged to the account of such collector. And the collectors shall account for all moneys received for passports in the manner hereinbefore provided, and a like amount shall be paid for every passport issued by any minister or consul of the United States, who shall account therefor to the treasury (1).

Telegraph Companies.

Any person, firm, company, or corporation owning or possessing or having the care or management of any telegraphic line by which telegraphic despatches or messages are received or transmitted, shall be subject to and pay a tax of three per centum on the gross amount of all receipts of such person, firm, company, or corporation (2).

Theatres, Operas, Circuses and Museums.

Any person, firm, or corporation, or the manager or agent thereof, owning, conducting, or having the care or management of theatre, opera, circus, museum, or other public exhibition of dramatic or operatic representations, plays, performances, musical entertainments, feats of horsemanship, acrobatic sports, or other shows which are opened to the public for pay, but not including occasional concerts, school exhibitions, lectures, or exhibitions of works of art, shall be subject to and pay a duty of two per centum on the gross amount of all receipts derived by such person, firm, company, or corporation from such representations, plays, performances, exhibitions, shows, or musical entertainments (3).

Returns of the last named Companies.

- 1. They shall make returns within twenty days after the end of each month, to the assistant assessor, which shall state the gross receipts of the month, verified by oath, and in the form prescribed by the Commissioner of Internal Revenue, and duly pay the tax to the collector of the district (4).

 - (1) 1866. \$ 106. (2) 1864, \$ 107. (3) 1864, \$ 108. (4) 1864, \$ 109.

2. In case of refusal or neglect to make their returns for ten days, the assessor or assistant is authorized to estimate their receipts, and add ten per cent. for the delinquency (5).

3. The books of owners or managers of these companies are subject to the inspection of the assessor or his assistant on

demand (6).

4. Upon refusal or neglect to pay the tax. with the added penalty, for ten days after the same are payable, an additional penalty of ten per cent. is imposed; and a penalty of one thousand dollars for any attempt to evade the payment imposed upon these companies (7).

Banks and Banking.

The following taxes are paid by all banks and bankers, except national banks. (These latter, however, now constitute much the larger proportion of all banking institutions of the United States.)

1. Upon the average amount of their deposits subject to payment by check or otherwise, one-twenty-fourth of one per cent per

month (8).

2. Upon the capital employed beyond the average amount invested in United States bonds, a tax also of one twenty-fourth of

one per cent per month (9).

3. Upon the average amount of circulation, including all certified checks and other obligation intended to circulate as money, not including that in the vault of the bank, or redeemed or on deposit for the bank, onetwelfth of one per cent. per month, and an additional monthly tax of one-sixth of one per cent. upon the average amount of circulation beyond ninety per cent. of the capital of such bank (10).

These returns are made monthly to the assessor of the district, verified by the oath of the president or cashier in the form presented by the Commissioner, under a penalty of two hundred dollars, besides the additional penalties and forfeitures prescribed by law; the proper tax on failure of due return to be estimated by the as-

sessor or assistant assessor (11).

In case of banks with branches, the tax is assessed upon the circulation of each branch, and the capital of each branch properly to be allotted (12).

- (5) 1864, § 109. (6) Ibidem.
- (7) Ibidem
- (8) 1864, § 10. (9) Ibidem. (10) Ibidem.
- 11) 1864. § 110. July 12, 1866, § 9

(12) Ihidem.

The deposits made in savings banks, or "institutions for savings," having no capital stock and doing no other business than receiving deposits to be loaned, or invested for the sole benefit of depositors, without profit to the company, are exempt from the tax, on so much of their deposits as are invested in securities of the United States, and on all deposits less than five hundred dollars made in the name of any one person (1).

These returns of savings banks or savings institutions are made on the first Monday of July and January in each year (2).

4. Every national banking association, State bank, or State banking association, shall pay a tax of ten per centum on the amount of notes of any person, State bank, or State banking association, used for circulation and paid out by them after the first day of August, eighteen hundred and sixtysix, and such tax shall be assessed and paid in such manner as shall be prescribed by the Commissioner of Internal Revenue (3)

5. It is also further provided that the sociation which has ceased or shall cease to exist, or which has been or shall be converted into a national bank, shall be assumed to be the capital as it existed immediately before such bank ceased to exist or was converted as aforesaid; and whenever the outstanding circulation of any bank, association, corporation, company, or person shall be reduced to an amount not exceeding five per centum of the chartered or declared capital existing at the time the same was issued, said circulation shall be free from taxation; and whenever any bank which has ceased to issue notes for circulation shall deposit in the treasury of the United States, in lawful money, the amount of its outstanding circulation, to be redeemed at par, under such regulations as the Secretaryof the Treasuryshall prescribe, it shall be exempt from any tax upon such circulation; and whenever any State bank or banking association has been converted into a national banking association and such national banking association has assumed the liabilities of such State bank or banking association, including the redemption of its bills, by any agreement or understanding whatever with the representatives of such State bank or banking association, such national banking association shall be held to make the required return and payment on the circulation outstanding, so long as such circulation shall exceed five per

centum of the capital before such conversion of such State bank or banking association (4).

Lotteries.

Every individual partnership, firm, or association, being proprietors, managers, or agents of lotteries, and all lottery dealers, pay a tax of five per cent. upon the gross receipts of the business; the returns of which are to be made monthly and in duplicate to the assistant assessor with the amount of the duty, verified by the oath or affirmation, and in the prescribed form; the payment of the duty to be made to the collector on or before the 20th day of each month, under penalty of one thousand dol-lars in case of not making the lists or returns besides the ordinary penalties provided for failure of returns; and in case of the non-payment of the tax a penalty of one thousand dollars, and imprisonment of such proprietors, managers, or agents so delinquent, not to exceed one year (5).

2. It is, however, provided, that the Comcapital of any State bank or banking as- missioner may grant free permits to managers of certain fairs, whose proceeds are to be applied to the relief of sick or wounded soldiers, or other charitable purposes; and they shall not be subject to any charge for special tax (license) or otherwise in respect thereof. This includes raffles or gift enterprises: nothing contained in this provision to be construed to legalize any lottery (6).

> 3. Each lottery ticket or certificate supplementary thereto shall be stamped at the time of sale with the name of the vender and the date of sale under a penalty of fifty dollars (7).

> 4. Purchasers of lottery tickets from venders not duly licensed, may recover twice the amount paid for such tickets at any time within three years, with just and

legal costs (8).

5. Lottery ticket dealers, and those who engage in the business without paying the special tax therefor provided, forfeit and pay one thousand dollars as penalty therefor, to be duly assessed and collected, and in addition, shall on conviction before a court of competent jurisdiction, be imprisoned for a period not exceeding one year at the discretion of the court (9).

6. The managers, proprietors or agents shall keep books of account of all their transactions, subject to and open to inspection of the revenue officers, subject on re-

^{(1) 1864. § 110.} July 13, 1866, § 9.

⁽²⁾ Ibidem.

⁽³⁾ March 3, 1865. July 13, 1866, § 9.

⁽⁴⁾ March 3, 1865. July 13, 1866, § 9. (5) 1864. § 111. July 13, 1866, § 9, § 11.

⁽⁶⁾ Ibidem.

^{(7) 1864, § 112.} (8) Ibidem. § 113. (9) March 3, 1865, § 13. July 27, 1866, § 1.

fusal or prohibition of such inspection to a penalty of one thousand dollars, and to imprisonment for a period not exceeding one year (1).

Advertisements.

The former tax upon advertisements was expressly repealed by the act of March 2, 1867, and also all tax upon the gross receipts of toll roads.

Legacies and Distributive Shares of Personal Property.

These interests in personal and real estate or property by the statutes of 1862 and 1864, were made subject to the following taxes, slightly modified by amendments They are given made subsequent to 1864. in detail, substantially as in the marginal digest of the official compend of the law issued from the revenue department.

1. All persons having in charge or trust, as administrators, executors, or trustees of legacies or distributive shares of personal property, when the whole amount exceeds one thousand dollars in actual value, passing after the passage of the act from any person possessed of such property by will' or intestate laws, or by deed taking effect after the death of a grantor, are made subject to the following taxes (2).

(a) When the person benefieially interested is the lineal issue or lineal ancestor, brother or sister, one per cent. (3),

(b) When the person or persons beneficially interested, is the descendant of a brother or sister, two per cent. (4),

(c) When the person or persons beneficially interested is the brother or sister of the father or mother, or descendant of the same, four per cent. (5),

(d) When the person or persons beneficially interested is the brother or sister of grandfather or grandmother, or seendant of the same, five per cent. (6),

1 per cent.

2 per cent.

4 per cent.

5 per cent.

(1) March 3, 1865, § 13. July 27, 1866, § 1.

1864. § 124. July 13, 1866, § 9.

3) Ibidem. Ibidem

Ibidem.

(6) Ibidem.

(e) When the person or persons beneficially interested is of any other degree of eonsanguinity or a stranger in blood, six per cent. (7),

6 per cent.

It is also provided, that all property passing by will or otherwise to the husband or wife of the person who died possessed, is exempt from this tax; and also that legaeies or shares of personal property passing to minor children to the extent of one thousand dollars shall also be exempt (8).

2. This tax is payable when the party interested shall be entitled to the possession thereof, or right to the beneficial interest in the profits thereof, and shall be a lien upon the property for twenty years (9).

3. The administrator, or other person having the estate in charge, shall give notice to the assessor or his assistant, of this liability within thirty days after he shall have assumed the trust, and pay the taxes before payment of any legacy to the collector or his deputy, and render a return to the assessors' office under oath, with schedules of the amount of the legacy or distributive shares, with full particulars of names and amount, etc., (10).

4. Upon the payment of the tax due, the receipt of the collector shall be sufficient evidence for the person who makes the payment, and representing the estate, to eredit therefor in the settlement of his accounts in the surrogate, orphan, or probate

court, having jurisdiction (11).

5. In case of neglect or refusal to make the proper return, or to pay the tax due, or in ease of a false return, of value or otherwise, the assessor shall make out such lists and valuation, as in other cases of neglect or refusal or fraud, and shall assess the duties thereon (12).

6. In ease of willful neglect, the party shall be subject to a penalty of not exceeding one thousand dollars and costs of suit, and the collector shall commence appropriate proceedings to cause the property to be sold, upon the decree of the proper

court (13).
7. The deeds of the property so sold, shall vest in the purchaser all the property of the delinquent, in the property so sold,

(7) 1864, § 124. July 13, 1866, § 9. (8) 1864, § 124.

(9) Ibidem, March 3, 1865, § 1. July 13, 1866, § 9. (10) Ibidem.

(11) 1864, § 125. March 3, 1865, § 1. July 13, 1866, § 9. (12) Ibidem.

(13) Ibidem.

and shall release the property from the lien

created by the act (1).

8. All persons who shall have the custody of any paper, record, etc., which shall contain information concerning the property so passing, and so subject to tax, shall exhibit all such papers, records, etc., to any revenue officer who may desire to examine the same, under a penalty of five hundred dollars (2).

9. The recitals in such deeds of sale of this property shall be prima facie evidence of their truth, and that the requirements of the law have been complied with (3).

10. All taxes paid under these provisions shall be deducted from the particular legacy or share, on account of which the same is charged (4).

When distribution is made in any case without payment of the tax, not only does the executor or administrator become liable to a penalty, but the tax may be collected of the person having the actual or constructive possession of the property in respect of which the tax is due, and the collector may proceed either by distraint, or suit as provided by law.

When return is made by the executor at the time when the tax becomes payable, demand may be made by the collector after the close of the month. When the estate is distributed before payment of the tax, the collector may serve demand as soon as the assessment reaches him. In either case the penalty of five per centum will attach upon failure to pay within ten days after demand.

When an estate is settled without the issue of letters of administration, the person who shall assume the control of the estate will be liable

in all respects as administrator.

By the amendatory act of 1856, the tax upon legacies and distributive shares of personal property is made payable whenever the party interested in such legacy or distributive share shall become entitled to the possession or entitled to the p joyment thereof, or to the beneficial interest in the profits accruing therefrom. Under the former statute it was merely required that the tax should be paid before distribution, so that it was somewhat doubtful whether an assessment could be made so long as the property remained in the hands of the executor or administrator.

The act of 1866, provides that every executor or administrator, having in charge any legacy or distributive share, shall give notice in writing to the assessor or assistant assessor of the district in which the deceased last resided, within thirty days after taking charge of the estate. While no specific penalty is attached to a neglect to give this notice, it can hardly be doubted that such neglect would put the executor or administrator so far in default as to authorize an assessment by the assessor as soon as the tax

becomes payable.

(1) 1864, § 125. 1866, § 9. (2) Ibidem. March 3, 1865, § 1.

(3) Ibidem. (4) Ibidem.

See also Series 2, No. 3, for instructions concerning the assessment of the tax in legacies and successions, dated February 15, 1866.

Successions.

1. A tax on succession to real estate was provided for by the act of 1864. A succession is defined in the statute to be "every past or future disposition of real estate by will, deed, or laws of descent, by reason whereof any person shall become benefi-cially entitled, in possession or expectancy, to any real estate, or the income thereof, upon the death of any person dying after the passing of this act, shall be deemed to confer on the person entitled, by reason of any such disposition, a succession;" and the term "successor" shall denote the person so entitled, and the term "predecessor" shall denote the grantor, testator, ancestor, or other person from whom the interest of the successor has been or shall be derived (5).

2. Also an increase of benefit accruing upon the extension of any estate by death,

shall be "a succession" (6).

When persons take successions jointly, they pay a tax proportionate to their respective interests; and beneficial interests accruing by successorship, shall be

deemed a new succession (7).

4. Any disposition of real estate with reservation of benefit for any term of life, shall be deemed to confer a succession at the time of the determination of such benefit, equal in annual value to the yearly value of the benefit so reserved, on the person in whose favor the disposition is made (8).

5. When a beneficial ownership is reserved by a secret trust, arrangement, etc., for any term of life, and capable of being enforced in equity or law, such disposition shall be deemed to confer a succession upon the person making the disposition as the

predecessor (9).

6. A conveyance by deed of gift or otherwise without reliable and adequate consideration, shall be deemed to confer a succes-

sion (10).

7. When a successor dies, before becoming entitled in possession, but one duty or tax shall be payable; but it shall be at the highest rate chargeable upon either succession (11).

8. When a succession is alienated before the successor becomes entitled in possession, the duty shall be paid at the same rate and time as if no alienation had been made

- (5) 1864. §§ 126, 127. (6) Ibidem, § 128. (7) Ibidem, § 129. (8) Ibidem, § 130. (9) 1864. § 131. (10) Ibidem, § 132. (11) 1864, § 134.

or derivative title created; and when a title is accelerated by surrender of prior interest, the appropriate tax shall be paid at the time of the surrender or extinction of the prior title (1).

9. As in case of legacies or distributive shares, the duty shall be payable when the successor becomes entitled in possession (2).

10. The interest of a successor in monies to arise from sale of real estate under trust, shall be deemed to be a succession, and the duty shall be paid by the trustee or executor, or other person, having control of the funds (3).

11. The interest of a successor in personal property subject to a trust to be converted into realty, shall be chargeable as a succession, and the tax shall be paid by the trustee or executor, or other person having

control of the funds (4).

12. A contingent incumbrance shall not be estimated in valuing a succession, but when such incumbrance takes effect as an actual burden, a proportionate amount of

the duty paid, shall be refunded (5).

13. If the estate of the successor is applied in whole or part, to the payment of the debts of the purchaser, the representative of the estate shall pay out of the sale thereof, for said purposes, the duties from the proceeds (6).

14. If the estate of the successor is defected by any person claiming title under the predecessor, such person shall chargeable with the duties so refunded (7).

15. When a successor has not obtained the whole of his succession when the duty becomes payable, he shall be charged only with the value from time to time obtained And whenever a duty has been paid on any succession, and the Secretary of the Treasury shall subsequently be satisfied that the amount of duty was errone-ously paid, the amount shall be refunded to the person so paying such duty (8).

16. When from the nature of the succession or a complication of circumstances affecting the value of a succession or otherwise, the Commissioner shall deem it expedient, he may compound the duty or en-

large the time of payment (9).

17. At the discretion of the Commissioner, upon an application of a person entitled to a succession in expectancy, he may

for a certain sum to be paid at once, regard to be had to its present value, and the contingencies affecting it, interest of the money, etc.; and upon the receipt of such present sum, the successor may be discharged (10). 18. The duty upon successions shall be a

commute a duty presumptively payable.

lien upon the interest of the successor for five years from the time the same was pay-

able (11).

19. The Commissioner may, upon request of the successor, make separate assessments upon defined portions or tracts of land; and in such cases the respective tracts shall be chargeable with their separate duty (12).

20. The succession taxes are as follows

(a) When the successor shall be the lineal issue or lineal ancestor of the predecessor, a duty at the rate of one dollar per cent. on its value.

(b) When the successor shall be a brother or sister or a descendant of a brother or sister at the rate of two dollars per cent. on

its value.

(c) When the successor shall be a brother or sister of the father or mother, or a descendant of a brother or sister of the father or mother of the predecessor, at the rate of four dollars on its value.

(d) When the successor shall be a brother or sister of the grandfather or grandmother, or a descendant of the brother or sister of the grandfather or grandmother of the redecessor, a duty at the rate of five dollars per cent. on its value.

(e) When the successor is in any other degree of consanguinity or a stranger in blood, a duty at the rate of six dollars per

centum on its value.

(f) No duty is levied in respect of any succession, when the successor is the wife of the predecessor (otherwise with husband) (13).

21. When real estate is subject to a charitable trust, under such disposition as would confer a succession if made in favor of an individual, the duty shall be at the rate of six per cent. upon the amount or principal value of such real estate (14).

22. Any trustee having in trust any real estate subject to tax shall give notice in writing within thirty days after he has assumed the trust, and prior to distribution, to the assessor or assistant assessor, with the names of the persons interested,

(1) Ibidem, March 3, 1865, § 1.
(2) Ibidem, § 137. July 13, 1866, § 9.
(3) 1864. § 138. July 13, 1866, § 9.
(4) Ibidem, § 139.
(5) Ibidem, § 140.

(6) 1864, § 141.

(7) Ibidem. (8) Ibidem, 2 142. (9) Ibidem, 2 143.

(10) 1864, § 144.

(11) Ibidem, § 145. July 13, 1866, § 9. (12) Ibidem, § 146. (13) 1864. § 133. March 3, 1865, § 1. (14) 1864, § 136.

under a penalty of five hundred dollars and

costs (1).

23. Returns of tax upon successions shall be made to the assessor or assistant assessor, by the person entitled to possession within thirty days after such person is entitled to the receipt of the income or property thereof, with full particulars to enable the assessor to properly assess the taxes due; and if satisfactory to the assessor the taxes shall be assessed. If the assessor is dissatisfied he may assess upon the best information attainable, subject to appeal.

If no appeal is taken against such assessment, at the discretion of the assessor he may assess the whole or any part of the expenses of the assessment in addition to If there is no appeal, the expenses shall be in the discretion of the Commis-

sioner of Internal Revenue (2).

24 Failure to give the required notices or to render the required account willfully made, is visited with an additional assessment of ten per cent. upon the amount of tax payable. A neglect to pay the duty within ten days after being notified, makes the person liable to ten per cent. upon the

amount of tax so unpaid, as penalty (3).

25 An appeal may be taken from the assessment of an assistant assessor to the assessor, and from the latter to the Commissioner of Internal Revenue, a statement to be furnished of the grounds of the appeal by the assessor, assistant assessor or such party, which decision of the Commissioner on such appeal shall be final (4).

1. 23 127 and 132 impose a tax on all successions of real estate by deed, will, or laws of descent, whether arising from the acts of persons who died before or since the 30th of June 1864. But by § 137 it would seem that succession cannot be taxed if any person possesses any intervening interests which prevent the legal possession or immediate right of possession. But a mere right to possess, which cannot without a suit at law debar the party from the present possession, is not by reason of provisions in \$131 to be regarded as an incumbrance or estate. 2 131 to be regarded as an incumbrance or estate

intervening between inheritance or devise and

possession.

2. The executor or administrator does not return for taxation real estate, but return thereof is to be made by the devisee or heirs-at-law, except in cases arising under 22138 and 139, where the duty is payable by the person having control of the funds. If the estate is to be held in trust for life or a term of years, the trustee returns the interest which is intrusted to him; and when that trust expires, the person who legally takes possession is to return what is now a remainder or reversion in expectancy.

3. In cases where real estate is devised to one person for life with remainder to another, the life tenant should be required to pay the tax upon the value of his life estate immediately upon his entering into possession; and the remainder man will be taxed upon the full value of the real estate

at the termination of the life estate.

4. The same rule applies to property which was incumbered by a life estate at the passage of the act of June 30th, 1864. In this case, as in all others, the devisor should be named in the return as the "predecessor."

5. The value of a life interest is to be computed according to the age of beneficiary at the time when the testator died. No regard is to be paid to the state of health of a life tenant in es-

timating probabilities of life.

6. Succession returns should always contain a sufficiently distinct description of the several parcels of estate, to enable the assessor properly to estimate the value thereof, and also to enable any person who may examine the records in the assessor's office to determine whether the tax

has been assessed upon any particular parcel.
7. Each and every described parcel must be separately valued, according to the market value, at the time the successor becomes entitled in

possession.

8. All succession taxes must be assessed and paid in the collection districts in which the real estate lies. Returns may, however, be made in the district in which the successor lives; and when any real estate returned lies in another district, the assessor will transmit the return to the assessor of such other district.

9. The valuation of successions must always be in accordance with the judgment of the assistant assessor of the division where the estate lies, subject of course to that of the assessor.

10. In cases where several heirs succeed to an estate which for any cause remains undivided, a single return, if this course be preferred, may be made therefor by any successor in behalf of himself and the other heirs, provided that the fact be made known to and approved by the assessor.

11. Succession duties and returns are in all cases due immediately after the successor becomes entitled in possession, or to the receipt of the income of the estate.

A conveyance in consideration of marriage

creates no succession.

⁽¹⁾ Ibidem, \$ 147. July 13, 1866, \$ 9. (2) Ibidem, \$\$ 147, 148, 149. (3) 1864, \$\$ 148, 149. July 13, 1866, \$ 9. March 3, 1865, § 1. (4) Ibidem.

STAMP DUTIES.

By the statute of 1864, all previous amendments on this subject were repealed, and after the 1st of August of that year, the new provisions of the schedule "B" took effect "in respect of the several instruments, matters and things mentioned and described therein." A rapid analysis of the general provisions of the statute, penalties, etc., will be made, and the succinct regulations of the department appended (1).

1. No instrument or paper, etc., is to be recorded unless properly stamped (2).

2. No instrument, etc., to be invalid for want of a particular stamp, if stamps of proper amount (not proprietary) are affixed

thereto (3).

3. All official instruments, documents, and papers issued by the officers of the United States government, or by the officers of any State, county, town, or other municipal corporation, shall be exempt from taxation: Provided, That it is the intent hereby to exempt from liability to taxation such State, county, town, or other municipal corporation, in the exercise only of functions strictly belonging to them in their ordinary governmental and municipal capacity (4).

4. For the forging, counterfeiting, or misusing stamps or dies,—for exposing the same for sale, or selling the same,—for using the same knowingly,—for fraudulently cutting, defacing or removing stamps, for altering the same,—for the using the same the second time,—for washing those already used, with fraudulent purpose, the penalty shall be the forfeiture of the stamps, a fine not exceeding one thousand dollars, or imprisonment not exceeding five years

or both (5).

5. The general mode of cancellation is by writing the initials of the name of the person using, and the date of use; but the Commissioner may prescribe other modes

of cancellation. The penalty for failure to cancel is fifty dollars for each offence (6).

The Commissioner of Internal Revenue has issued an important circular in relation to the cancellation of revenue stamps. After referring to the different sections of the stamp act of June 30, 1864, he decides that under the power thus conferred, authority has been given to imprint the initials and date upon stamps in ink, instead of writing them. The imprint must be distinct and legible. If proprietary stamps can-not be so affixed to the boxes, bottles or pack: ages, that in opening them, or in using the contents thereof, they shall and must be unavoidably and effectually destroyed, they should be cancelled in the ordinary manner, by writing or imprinting thereon the initials and date. Cancelletion by writing or imprinting the initials. cellation by writing or imprinting the initials and date in ink, whereby the stamp is made to correspond in those particulars with the instrument to which it is affixed, is not only legal. but also the most effectual method against fraud, and must be adopted, except in the case of proprietary articles, where it is otherwise specially

provided.
The Commissioner continues: "Frequent reports have reached this office showing that the law upon this subject is very often discarded. In some instances stamps are used without being obliterated or destroyed in any manner whatever. In others, a cross simply, generally with ink, but sometimes even with a pencil, is used, or a hole is punched through the stamp. These and similar methods of cancellation afford little or no protection against the use of stamps a second time. Great frauds may be and, as investigation shows, have been practiced upon the public revenue in this manner. Collectors, inspectors, and all other officers of this bureau are, therefore, instructed to give this subject their special attention; to bring it to the notice of persons using stamps; and to require strict conformity to the law. If persons, after having conformity to the law. If persons, after having been fully notified of the requirements of the statute respecting the cancellation of stamps and of their liabilities for non-compliance therewith, wilfully persist in their fraudulent use, without effectually cancelling and obliterating them in the manner required by law, legal proceedings should be instituted for the recovery of the prescribed penalties."

6. Proprietors of articles in Schedule "C" may furnish private dies, without expense to the United States. The mode of cancellation is, that they must be so affixed, as to be destroyed in using or open-The forging the article on which used. ing or counterfeiting such stamps shall be

^{(1) 1864, § 151.} July 13, 1866, § 9. (2) Ibidem, § 152. (3) Ibidem, § 153. (4) July 13, 1866, § 9. 1864, § 154. (5) 1864, § 155. July 13, 1866, § 9.

^{(6) 1864, 2 156.}

deemed a felony, and the convict shall be

subject to the other penalties (1).
7. The using of instruments without proper stamps incurs the penalty of rendering the instrument invalid, and a fine of fifty dollars on the person so using. title of a second purchaser is not, however, to be affected (2).

8. Instruments issued without stamps, may be subsequently stamped by the collector of the district, and upon the payment of the price of the proper stamp, and fifty dollars, and where the tax is exceeding fifty dollars, (stamp value) the payment of interest, the stamp may be duly affixed, and noted by the collector. The penalty may, however, be remitted in cases of accident, mistake or inadvertence. The deed or instrument subsequently so stamped may be duly recorded (3).

9. When no collection district was established and no stamp was used, at any time before January 1, 1867, a copy may be duly stamped, and no previously acquired rights

shall be affected (4).

10. Bills of exchange drawn abroad, but payable in the United States, must be

stamped before payment (5).

11. The statute of March 3, 1865, § 1, exempted from stamp tax, papers relating to applications for bounties, back pay, and pensions—contracts of insurance for accidental injury to persons—certificates of measurement or weight of animals, wood, coal and hay—mutual insurance deposit notes—certificates of record of deeds—acknowledgment or proof of, by attending witnesses-indorsement of a negotiable instrument—warrant of attorney accompanying a stamped bond or note, and but one stamp when a note accompanies a mortgage, but that at the highest rate of either (6).

12. The Commissioner is authorized to sell stamps and allow commissions therefor, and to make certain allowances for stamps that are spoiled, used by mistake, or un-

necessarily used (7).

The manufacturers of matches are supplied on credit, upon security being given for payment therefor, and may be placed in bonded warehouse and exported without payment of duty under prescribed regulations (8).

(1) 1864, δ 157. (2) Ibidem, § 158. July 13, 1866, § 9. (3) Ibidem.

*Vide also Circular of Commissioner of Jan-

- uary, 1866.
 (4) 1864, § 158.
 (5) Ibidem, § 159.
 (6) March 3, 1865, § 1.
 - 1864, § 161. (8) Ibidem.

14. Collectors are authorized to certify instruments which in his opinion are not subject to a stamp duty; or if subject to a certain duty, to affix the proper stamp (9).

15. Instruments issued before July, 1864, and issued without stamps, are not to be used or recorded until the proper stamps

are affixed (10).

16. Instruments made in a foreign country and to be used in the United States, are subject to the same stamps as those

made or issued here (11).

17. All the provisions of this act relating to dies, stamps, adhesive stamps, and stamp duties shall extend to and include (except where manifestly impracticable) all the articles or objects enumerated in schedule marked C, subject to stamp duties, and apply to the provisions in rela-

tion thereto (12).

- If any person, or firm, shall make, prepare, and sell, or remove for consumption or sale, drugs, medicines, preparations, compositions, articles, or things, including perfumery, cosmetics, lucifer or friction matches, cigar lights, or wax tapers, and playing-cards, and also including prepared mustard, preserved fish, shell-fish, fruits, vegetables, sauces, sirups, jams, and jellies, when packed or sealed in cans, bottles, or other single packages, whether of domestic manufacture or imported, upon which a duty or tax is imposed by law, as enumerated and mentioned in Schedule C, without affixing thereto an adhesive stamp or label denoting the tax before mentioned, he incurs a penalty of fifty dollars for each omission (13).
- The penalty for removal of stamps from articles in Schedule C, is fifty dollars and the forfeiture of the article (14).

20. Any attempt to evade this duty is subject to a penalty of one hundred dollars, and also the forfeiture of the article (15).

21. All medicines, preparations, compositions, perfumery, cosmetics, cordials, and other liquors manufactured in whole or part of domestic spirits, and intended for exportation may be manufactured in bonded warehouse, and removed without stamps, under regulations particularly specified (16).

22. Any person offering or exposing for sale the articles enumerated in Schedule "C" is to be deemed the manufacturer (17).

(9) 1864, § 162.-(10) July 13. 1866, § 9. (11) 1864, § 163.

- (12) 1864, ¢ 164. (13) 1864, § 165. (14) 1864, § 166.
- (15) 1864. \$ 167. (16) 1864. \$ 168. (17) 1864, \$ 169. March 3. 1865, § 1. July 13, 1866, § 9.

23. No stamp tax is imposed upon medicines, etc., compounded according to United States, or national pharmacopæias (1).

24. If the manufacturer of any article upon which a tax is required to be paid by means of a stamp shall have sold or removed for sale any such articles without the use of the proper stamp, in addition to the penalties now imposed by law for such sale or removal, it shall be the duty of the proper assessor or assistant/assessor, within a period of not moré than two years after such removal or sale, upon such information as he can obtain, to estimate the amount of the tax which has been omitted to be paid, and to make an assessment therefor, and certify the same to the collector; and the subsequent proceedings for collection shall be in all respects like those for the collection of taxes upon manufactures

and productions (2).

25. In case any person shall sell, give, or purchase or receive any box, barrel, bag, or any vessel, package, wrapper, cover, or envelope of any kind, stamped, branded or marked in any way so as to show that the contents or intended contents thereof have been duly inspected, or that the tax thereon has been paid, or that any provision of the internal revenue laws has been complied with, whether such stamping, branding, or marking may have been a duly authorized act or may be false and counterfeit, or otherwise without authority of law, said box, barrel, bag, vessel, package, wrapper, cover, or envelope being empty, or containing anything else than the contents which were therein when said articles had been so lawfully stamped, branded, or marked by an officer of the revenue, such person shall be liable to a penalty of not less than fifty nor more than five hundred. And any person who shall make, manufacture, or produce any box, barrel, bag, vessel, package, wrapper, cover or envelope, stamped, branded, or marked, as above described, or shall stamp, brand, or mark the same, as hereinbefore recited, shall, upon conviction thereof, be liable to penalty as before provided in this section. And any person who shall violate the foregoing provisions of this section, with intent to defraud the revenue, or to defraud any person, shall, upon conviction thereof, be liable to a fine of not less than one thousand nor more than five thousand dollars, or imprisonment for not less than six months, nor more than five years, or both such fine and imprisonment, at the discre-And all articles sold, tion of the court.

given, purchased, received, made, manufactured, produced, branded, stamped, or marked in violation of the provisions of this section, and all their contents, shall be forfeited to the United States (3).

Receipts taken by executors, etc., should be

stamped as in other cases.

Inventories returned for record or otherwise should be stamped as "appraisements of value," at the same rate as agreements.

Stamps placed upon the passage tickets of passengers for foreign ports, should be based upon currency value of the tickets.

Extracts from Department Regulations of October 24, 1866.

CANCELLATION.

In all cases where an adhesive stamp is used for denoting the stamp duty upon an instrument, the person using or affixing the same must write or imprint thereupon in ink the initials of his name, and the date on which the same is attached or used. When stamps are printed upon checks, &c., so that in filling up the instrument, the face of the stamp is and must necessarily be written across, no other cancellation will be required required.

All cancellation must be distinct and legible, and except in the case of proprietary stamps from private dies, no method of cancellation which differs from that above described will be

recognized by this office as legal and sufficient. Each collector will keep a record of all instruments stamped or impressed by him under the provisions of \$\gamma 158 and 162 in which must be given the names of the parties to each instrument, the date of its execution, and a sufficient description of its nature to show the reasons for impressing or affixing the particular stamp. A certified copy of this record will be transmitted to this office at the close of each month during which any entry is made. If, however, during any month the only instruments stamped or impressed have first been submitted to this office for instructions, the transmission of such copy may be deferred until a subsequent month.

GENERAL REMARKS.

Revenue stamps may be used indiscriminately upon any of the matters or things enumerated in Schedule B, except proprietary and playing card stamps, for which a special use has been provided. been provided.

Postage stamps cannot be used in payment of

the duty chargeable on instruments.

It is the duty of the maker of an instrument to affix the stamp thereto and to cancel the same in the manner required by law. Proper cancellation is essential.

Certificates of loan in which there shall appear any written or printed evidence of an amoun of money to be paid on demand, or at a time designated, are subject to stamp duty as "promissory rotes."

When two or more persons join in the execution of an instrument, the stamp to which the instrument is liable under the law may be affix ed and cancelled by either of them; and "When more than one signature is affixed to the same paper, one or more stamps may be affixed there to, representing the whole amount of the stamp required for such signatures."

No stamp is required on any warrant of attor

⁽¹⁾ July 13, 1866, § 13. (2) 1867, March 2, § 5.

⁽³⁾ July 13, 1866, § 16.

ney accompanying a bond or note, when such bond or note has affixed thereto the proper stamp or stamps denoting the duty required; and, whenever any bond or note is secured by mortgage, but one stamp duty is required on such paperssuch stamp duty being the highest rate required for such instruments, or either of them. In such case a note or memorandum of the value or denomination of the stamp affixed should be made upon the margin or in the acknowledg-ment of the instrument which is not stamped.

Particular attention is called to the change in § 154, by striking out the words "or used;" the exemption thereunder is thus restricted to documents, etc., issued by the officers therein named. Also to the changes in 22 152 and 158, by inserting the words "and cancelled in the manner re-

quired by law."

The acceptor or acceptors of any bill of exchange, or order for the payment of any sum of money drawn or purporting to be drawn in any foreign country but payable in the United States, must, before paying or accepting the same, place

thereupon a stamp indicating the duty.

It is only upon conveyances of realty sold that conveyance stamps are necessary. A deed of real estate made without valuable consideration need not be stamped as a conveyance, but if it contains covenants, such, for instance, as a covenant to warrant and defend the title, it should be stamped as an agreement or contract.

When a deed purporting to be a conveyance of realty sold, and stamped accordingly, is inoperative, a deed of confirmation, made simply to cure the defect requires no stamp. In such case, the second deed should contain a recital of the facts, and should show the reasons for its

A conveyance of realty sold subject to a mort-gage should be stamped according to the consideration, or the value of the property unen-cumbered. The consideration in such case is to cumbered. The consideration in such case is to be found by adding the amount paid for the equity of redemption to the mortgage debt. The fact that one part of the consideration is paid to the mortgagor and the other part to the mortgagee does not change the liability of the conveyance.

A receipt for a sum of money exceeding twenty dollars and not being for satisfaction of any mortgage, or judgment or decree of court, is subject to a stamp duty of two cents; but no stamp is necessary upon a receipt for a package of money as distinguished from a receipt for a specified sum. If, however, the amount contained in the package is named in the receipt and exceeds the sum of twenty dollars, a stamp

should be used.

A mere copy of an instrument is not subject to stamp duty unless it is a certified one, in which case a five-cent stamp should be affixed to the certificate of the person attesting it; but when an instrument is executed and issued in duplicate, triplicate, &c., as in the case of a lease of two or more parts, each part has the same legal effect as the other, and each should be stamped as an original.

Written or printed assignments of agreements, bonds, notes not negotiable, and of all other instruments the assignments of which are not particularly specified in the foregoing schedule, should be stamped as agreements.

When, as is generally the case, the caption to a deposition contains other certificates in addition to the jurat to the affidavit of the deponent, such as a certificate that the parties were or were not notified that they did or did not ap-pear that they did or did not object, &c., it is subject to a stamp duty of five cents.

When an attested copy of a writ or other process is used by a sheriff or other person in making personal service, or in attaching property, a five-cent stamp should be affixed to the certificate of attestation.

The stamp duty upon the probate of a will, or upon letters of administration, is based upon the sworn or declared value of all the estate and effects, real, personal, and mixed, undiminished by the debts of the estate for or in respect of which such probate or letters are applied for.

When the property belonging to the estate of a person deceased lies under different jurisdictions and it becomes necessary to take out letters in two or more places, the letters should be stamped according to the value of all the property. real, personal, and mixed, for or in respect of which the particular letters in each case are issued.

No stamp tax is imposed upon medicines sold to or for the use of any person, which may be mixed and compounded for said person according to the written recipe or prescription of a physician or surgeon. But all medicinal articles whether simple or compounded by any rule, authority, or formula, published or unpublished, which are put up in a style or manner similar to that of patent or proprietary medicines in general, or advertised in newspapers or by public handbills, for popular sale and use, as having any special proprietary claim to merit, or to any peculiar advantage in mode of preparation, quality, use, or effect, whether such claim be real or pretended, are liable to the tax.

Stamps appropriated to denote the duty charged upon articles named in Schedule C, and in the amendments thereto, cannot be used for any other purpose; nor can stamps appropriated to denote the duty upon instruments be used in payment of the duties upon articles

enumerated in this Schedule.

When proprietary stamps from a private die are used, if they are so affixed to the boxes, bottles, or packages, that, in opening the same, or in using the contents thereof, they shall and must be unavoidably and effectually destroyed, no cancellation is necessary; but if they cannot be so affixed, they should be cancelled in the ordinary manner by writing or imprinting thereon the initials and date. When general proprieon the initials and date. When general proprietary stamps are used, they must be cancelled by writing or imprinting thereon the date and the initials of the party using or affixing them.

When proprietary medicines and preparations, perfumery, and cosmetics are stamped according to their retail price or value in the immediate vicinity of the place of manufacture, no additional stamps are necessary upon them, whatever may be the price at which they are

Any person who offers or exposes for sale any of the articles named in Schedule C, or in any of the amendments thereto, whether they are imported or of foreign or domestic manufacture, is to be deemed the manufacturer thereof, and subject to all the duties, liabilities, and penalties imposed by law in regard to the sale of domestic articles without the use of the proper stamp or stamps for denoting the tax paid thereon. The stamp tax upon such articles imported or of fereign manufacture is in addition to the import duties, but when such imported articles, except playing cards, lucifer or friction matches, cigar lights, and wax tapers, are sold in the original or unbroken packages in which the bottles or enclosures were packed by the manufacturer, no penalty is incurred for want of the proper stamp. When the packages are opened stamps. should be affixed.

Miscellaneous Rulings.

Deeds of partition or releases are not subject to stamps.

Assignments of government land warrants re-

quire a five cent stamp as agreements.

Indorsements of payments of interest on a bond, etc., requires no stamp, although in the form of a receipt.

Receipts given by railroad and express companies must be stamped.

The stamp duty on letters of administration covers all subsequent papers in the settlement of the estate.

The receipt of a charitable institution need not be stamped: no debt was due from the donor.

A school teacher's qualification certificate

should be stamped, (five cent stamp.).
Bills of lading, &c., for transportation of goods require a two cent stamp. Duplicates same as originals.

Memorandum checks, drawn by a cashier on

his own cash, require no stamp.

Stamp-duty on a lease, when value is not ascertained, must be for the largest amount reserved in the lease.

When coupon bonds are stamped, the coupons

are exempt.

Bonds or other official papers, issued by mu-

nicipal corporations, are exempt.

Either party to an instrument may affix the stamp before execution.

Each copy of an indenture requires a stamp.

A conveyance without consideration requires

no stamp, (vide chap.—Successions.)

The assignment of bonds or mortgages, requires stamps of equal value to the instrument assigned.

Certificates of deposit should be stamped. "Notices to quit" are exempt. So with acknowledgment to deeds, etc., also all criminal process. United States leases and indentures are also exempt; otherwise with affidavit of disability

The lease for a part of a year should be pro-

portional to the annual retail value.

power of attorney and other pension and "back-pay" papers. A discharge of a mortgage is exempt, so with

If a party sends a note or other paper to a bank with a request that it should be stamped. the party offering it acts as the agent of the

sender.

Deeds of "confirmation" are exempt, also

petitions for naturalization.

"The deed of a pew is merely a conveyance of personal property, and is subject to a stamp duty of five cents only."

It is a general principle that instruments are to be stamped according to their legal effect. Marriage certificates should be stamped; mar-

riage licenses are exempt.

Letters of attorney made in the United States and sent to an attorney abroad, where the powers are to be executed, do not require a stamp.

In fire and marine insurance policies the

stamp duty is determined by the amount of the premium paid. This is sometimes in money, sometimes by note. If the latter and for a sometimes by note. fixed sum, it must be regarded as a part of the premium, whether on demand or "on time," or even if it is understood that its payment is not to be called on, except in case of loss. If the note is merely liable to assessment or security for such assessment, it should not be recorded as "premium."

The stamp duty upon "letters of administration" must be appropriate to the value of the estate to be administered upon. If the administrator has no control over the real estate (as he generally has not, except for the payment of debts or legacies), the staw p duty is regulated by the value of the personal estate. Letters of administration to procure prize money, back pay pensions, &c., are subject to stamp duty. They are not within the exemption of § 160, act

of June 30, 1864.

Where receipts given to parties who deposit valuables with banks for safe-keeping contain guaranties for the value of the same, such guar-anties are held to be subject to stamp duty, as

agreements or contracts.

SCHEDULE OF STAMP DUTIES.

Schedule B.

Agreement or contract, other than domestic and inland bills of lading, and those specified in this schedule; any appraisement of value or damage, or for any other purpose; for every sheet or piece of paper upon which either of the same shall be written, five cents, \$0 05

Provided, That if more than one appraisement, agreement, or contract shall be written upon one sheet or piece of paper, five cents for each and every additional appraisement, agreement, or con-

tract.

Bank check, draft, or order for the payment of any sum of money whatsoever, drawn upon any bank, banker, or trust company, or for any sum exceeding ten dollars drawn upon any other person or persons, companies, or corporations, at sight or on demand, two

cents,

Bill of exchange, (inland,) draft, or order for the payment of any sum of money not exceeding one hundred dollars, otherwise than at sight or on demand, or any promissory note, (except bank notes issued for circulation, and checks made and intended to be forthwith presented, and which shall be presented to a bank or banker for payment,) or any memorandum, check, receipt, or other written or printed evidence of an amount of money to be paid on demand, or at a time designated, for a sum not exceeding one hundred dollars, five cents,

And for every additional hundred dollars, or fractional part thereof in excess of one hundred dollars,

five cents,

Bill of exchange, (foreign,) or letter of credit, drawn in but payable out of the United States, if drawn singly, or otherwise than in a set of three or more, according to the custom of merchants and bankers, shall pay the same rates of duty as inland bills of exchange

or promissory notes.

If drawn in sets of three or more: For every bill of each set where the sum made payable shall not exceed one hundred dollars, or the equivalent thereof, in any foreign currency in which such bills may be expressed, according to the standard of value fixed by the United States, two 80 02 cents,

And for every additional hundred dollars or fractional part thereof in excess of one hundred dollars,

two cents,

Bill of lading or receipt, (other than charter-party,) for any goods, merchandise, or effects, to be exported from a port or place in the United States to any foreign port

or place, ten cents,

Bill of sale by which any ship or vessel, or any part thereof, shall be conveyed to or vested in any other person or persons when the consideration shall not exceed five hundred dollars, fifty cents,

Exceeding five hundred and not exceeding one thousand dollars, one

dollar,

5

Exceeding one thousand dollars, for every additional amount of five hundred dollars, or fractional part thereof, fifty cents,

Bond.—For indemnifying any person for the payment of any sum of money, where the money ultimately recoverable thereupon is one thousand dollars or less, fifty

5 Where the money ultimately recoverable thereupon exceeds one thousand dollars, for every addi2

10

50

1 00

50

50

tional one thousand dollars or frac-		Exceeding three hundred tons and	
tional part thereof in excess of one		not exceeding six hundred tons,	. 1
	50	five dollars, \$5	00
Bond for the due execution or per-		Exceeding six hundred tons, ten	00
formance of the duties of any	00	dollars, 10	00
	. 00	Contract.—Broker's note, or memoran-	
Bond of any description, other than such as may be required in legal		dum of sale of any goods or mer- chandise, real estate, or property	
proceedings, or used in connec-		of any kind or description, issued	
tion with mortgage deeds, and		by brokers or persons acting as	
not otherwise charged in this		such, for each note or memoran-	
schedule, twenty-five cents,	25	dum of sale, ten cents,	10
Certificate of stock in any incorpora-		Bill or memorandum of the sale or	
ted company, twenty-five cents,	25	contract for the sale of stocks,	
Certificate of profits, or any certificate		bonds, gold or silver bullion, coin,	
or memorandum showing an in-		promissory notes, or other secu-	
terest in the property or accumu-		rities, shall pay a stamp tax at	
lations of any incorporated com- pany, if for a sum not less than		the rate provided in section ninety-nine.	
ten dollars and not exceeding fifty		Conveyance. — Deed, instrument, or	`
dollars, ten cents,	10	writing, whereby any lands, tene-	
Exceeding fifty dollars and not ex-		ments, or other realty sold shall	
ceeding one thousand dollars,		be granted, assigned, transferred,	
twenty-five cents,	25	or otherwise conveyed to, or vest-	
Exceeding one thousand dollars,		ed in, the purchaser or purchas-	
for every additional one thousand		ers, or any other person or per-	
dollars, or fractional part thereof,	กร	sons, by his, her, or their direc-	
twenty-five cents,	25	tion, when the consideration or	
Certificate.—Any certificate of damage, or otherwise, and all other		value does not exceed five hundred dollars, fifty cents,	50
certificates or documents issued		When the consideration exceeds	00
by any port warden, marine sur-		five hundred dollars and does not	
veyor, or other person acting as		exceed one thousand dollars, one	
such, twenty-five cents,	25		00
Certificate of deposit of any sum of		And for every additional five hun-	
money in any bank or trust com-		dred dollars, or fractional part	
pany, or with any banker or per-		thereof, in excess of one thousand	50
son acting as such— If for a sum not exceeding one hun-		dollars, fifty cents, Entry of any goods, wares, or merchan-	90
dred dollars, two cents,	. 2	dise at any custom-house, either	
For a sum exceeding one hundred	۵	for consumption or warehousing,	
dollars, five cents,	5	not exceeding one hundred dol-	ı
Certificate of any other description		lars in value, twenty-five cents,	25
than those specified, five cents,	5	Exceeding one hundred dollars and	
Charter-party.—Contract or agreement		not exceeding five hundred dol-	
for the charter of any ship or		lars in value, fifty cents,	
vessel, or steamer, or any letter,		Exceeding five hundred dollars in	1 00
memorandum, or other writing		value, one dollar,	1 00
between the captain, master, or owner, or person acting as agent		Entry for the withdrawal of any goods or merchandise from bonded	
of any ship or vessel, or steamer,		warehouse, fifty cents,	50
and any other person or persons		Insurance, (life.)—Policy of insurance,	
for or relating to the charter of		or other instrument, by whatever	
such ship or vessel, or steamer, or		name the same shall be called,	
any renewal or transfer thereof, if		whereby any insurance shall be	
the registered tonnage of such		made upon any life or lives—	
ship or vessel, or steamer, does		When the amount insured shall not	
not exceed one hundred and fifty	1 00	exceed one thousand dollars,	25
tons, one dollar, Exceeding one hundred and fifty	1 00	twenty-five cents, Exceeding one thousand dollars and	20
tons and not exceeding three hun-		not exceeding five thousand dol-	
dred tons, three dollars,	3 00		50

Exceeding five thousand dollars,		given as security for the payment		
one dollar, \$1	1.00	of any definite or certain sum of		
Insurance, (marine, inland and fire.)—		money exceeding one hundred		
Each policy of insurance or other		dollars, and not exceeding five		
instrument, by whatever name		hundred dollars, fifty cents,	30	50
the same shall be called, by which		Exceeding five hundred dollars,		
insurance shall be made or re-		and not exceeding one thousand		
newed upon property of any de-			1	00
scription, whether against perils		And for every additional five hun-		
by the sea or by fire, or other		dred dollars, or fractional part		
peril of any kind, made by any		thereof, in excess of one thou-		
insurance company, or its agents,		sand dollars, fifty cents,		50
or by any other company or per-		Upon every assignment or transfer		00
son, the premium upon which		of a mortgage the same stamp		
does not exceed ten dollars, ten	10	tax upon the amount remaining		
cents,	10	unpaid thereon as is herein im-		
Exceeding ten and not exceeding	೧೯	posed upon a mortgage for the		
fifty dollars, twenty-five cents,	25	same amount: Provided, That		
Exceeding fifty dollars, fifty cents,	50	upon each and every assignment		
Lease, agreement, memorandum, or		or transfer of a policy of insur-		
contract for the hire, use, or rent		ance, or the renewal or continu-		
of any land, tenement, or portion		ance of any agreement, contract		
thereof, where the rent or rental		or charter, by letter or otherwise,		
value is three hundred dollars per		a stamp duty shall be required		
annum or less, fifty cents,	50	and paid equal to that imposed on		
Where the rent or rental value ex-		the original instrument: And pro-		
ceeds the sum of three hundred		vided further, That upon each and		
dollars per annum, for each addi-		every assignment of any lease a		
tional two hundred dollars, or		stamp duty shall be required and		
fractional part thereof in excess		paid equal to that imposed on the		
of three hundred dollars, fifty		original instrument, increased by		
cents,	50	a stamp duty on the considera-		
Manifest for custom-house entry or		tion or value of the assignment		
clearance of the cargo of any ship,		equal to that imposed upon the		
vessel, or steamer for a foreign		conveyance of land for similar		
port—	,	consideration or value.		
If the registered tonnage of such		Passage ticket, by any vessel from a		
ship, vessel, or steamer does not		port in the United States to a for-		
		eign port, not exceeding thirty-		
exceed three hundred tons, one	. 00			50
	. 00	five dollars, fifty cents,		90
Exceeding three hundred tons and		Exceeding thirty-five dollars and		
not exceeding six hundred tons, three dollars.	00	not exceeding fifty dollars, one	1	ΛΛ
	00	dollar,	Т	00
Exceeding six hundred tons, five	. ^^	And for every additional fifty dol-		
dollars,	00	lars, or fractional part thereof, in	4	00
Mortgage of lands, estate, or property,		excess of fifty dollars, one dollar	1	UU
real or personal, heritable or mov-		Power of Attorney for the sale or trans-		
able whatsoever, where the same		fer of any stock, bonds, or scrip,		
shall be made as a security for		or for the collection of any divi-		
the payment of any definite and		dends or interest thereon, twenty-		
certain sum of money lent at the		five cents,		25
time or previously due and owing		Power of attorney or proxy for voting at		
or forborne to be paid, being pay-		any election for officers of any in-		
able; also any conveyance of any		corporated company or society,		
lands, estate or property whatso-		except religious, charitable, or		
ever, in trust, to be sold or other-		literary societies, or public ceme-		
wise converted into money, which		teries, ten cents,		10
shall be intended only as security,		Power of attorney to receive or collect		
and shall be redeemable before		rent, twenty-five cents,		25
the sale or other disposal thereof,		Power of attorney to sell and convey		
either by express stipulation or		real estate, or to rent or lease the		
otherwise; or any personal bond			1	00
, , ,				

50

Power of attorney for any other purpose, fifty cents,

Probate of will, or letters of administration: Where the estate and effects for or in respect of which such probate or letters of administration applied for shall be sworn or declared not to exceed the value of two thousand dollars, 1 00 one dollar,

Exceeding two thousand dollars, for every additional thousand dollars, or fractional part thereof, in excess of two thousand dollars,

fifty cents,

Provided, That no stamp either for probate of wills, or letters testamentary, or of administration, or administrator or guardian bond, shall be required when the value of the estate and effects, real and personal, does not exceed one thousand dollars: Provided further, That no stamp tax shall be required upon any papers necessary to be used for the collection from the government of claims by soldiers or their legal representatives of the United States, for pensions, back pay, bounty, or for property lost in the service.

Protest.—Upon the protest of every note, bill of exchange, acceptance, check, or draft, or any marine protest, whether protested by a notary public or by any other officer who may be authorized by the law of any State or States to make such protest, twenty-five

cents,

Receipts for any sum of money, or for the payment of any debt exceeding twenty dollars in amount, not being for the satisfaction of any mortgage or judgment, or decree of any court, or by indorsement on any stamped obligation in acknowledgment of its fulfillment, for each receipt two cents: Provided, That when more than one signature is affixed to the same paper, one or more stamps may be affixed thereto representing the whole amount of the stamp required for such signatures; and that the term money, as herein used, shall be held to include drafts and other instruments given for the payment of money: Provided, That the stamp duties imposed by the foregoing

schedule (B) on manifests, bills of lading, and passage tickets, shall not apply to steamboats or vessels plying between ports of the United States and ports of British North America: And provided further, That all affidavits shall be exempt from stamp duty.

Schedule C.

Medicines or preparations.—For and upon every packet, box, bottle, pot, phial, or other enclosure, containing any pills, powders, tinctures, troches, lozenges, sirups, cordials, bitters, anodynes, tonics, plasters, salves, liniments, ointments, pastes, drops, waters, essences, spirits, oils, or other medicinal preparations or compositions whatsoever, made and sold, or removed for consumption and sale, by any person or persons whatever, wherein the person making or preparing the same has, or claims to have, any private formula or occult secret or art for the making or preparing the same, or has or claims to have any exclusive right or title to the making or preparing the same, or which are prepared, uttered, vended, or exposed for sale under any letters patent, or held out orrecommended to the public by the makers, venders, or proprietors thereof as proprietary medicines, or as remedies or specifics for any disease, diseases, or affections whatever affecting the human or animal body, as follows: Where such packet, box, bottle, pot, phial, or other enclosure. with its contents, shall not exceed, at retail price, or value, the sum of twenty-five cents, one cent,

Where such packet, box, bottle, pot, phial, or other enclosure, with its contents, shall exceed the retail price or value of twenty-five cents, and not exceed the retail price or value of fifty cents, two

cents,

Where such packet, box, bottle, pot, phial, or other enclosure, with its contents, shall exceed the retail price or value of fifty cents and shall not exceed the retail price or value of seventy-five cents, three cents,

Where such packet, box, bottle, pot, phial, or other enclosure, with its contents, shall exceed the retail price or value of seventy-five cents, and shall not exceed the retail price or value of one dollar, four cents,

Where such packet, box, bottle, pot, phial, or other enclosure, with its contents, shall exceed the retail price or value of one dollar, for each and every fifty cents or fractional part thereof over and above the one dollar, as before mentioned, an additional two cents,

Perfumery and cosmetics.—For and upon every packet, box, bottle, pot, phial, or other enclosure, containing any essence, extract, toilet water, cosmetic, hair oil, pomade, hair dressing, hair restorative, hair dye, tooth-wash, dentifrice, tooth-paste, aromatic cachous, or any similar articles, by whatsoever name the same heretofore have been, now are, or may hereafter be called, known or distinguished, used or applied, or to be used or applied as perfume or applications to the hair, mouth, or skin, made, prepared, and sold or removed for consumption and sale in the United States, where such packet, box, bottle, pot, phial, or other enclosure, with its contents, shall not exceed, at the retail price or value, the sum of twenty-five cents, one cent,

Where such packet, box, bottle, pot, phial, or other enclosure, with its contents, shall exceed the retail price or value of twenty-five cents, and shall not exceed the retail price or value of fifty

cents, two cents,

Where such packet, box, bottle, pot, phial, or other enclosure, with its contents, shall exceed the retail price or value of fifty cents, and shall not exceed the retail price or value of seventy-five cents, three cents,

Where such packet, box, bottle, pot, phial, or other enclosure, with its contents, shall exceed the retail price or value of seventy-five cents, and shall not exceed the retail price or value of one dollar, four cents,

Where such packet, box, bottle, pot, phial, or other enclosure, with its contents, shall exceed the retail

price or value of one dollar, for each and every fifty cents or fractional part thereof over and above the one dollar, as before mentioned, an additional two cents, \$0 02

\$0 04 Friction matches, or lucifer matches, or other articles made in part of wood, and used for like purposes, in parcels or packages containing one hundred matches or less, for each parcel or package, one cent,

When in parcels or packages containing more than one hundred and not more than two hundred matches, for each parcel or pack-

age, two cents,

And for every additional one hundred matches or fractional part

thereof, one cent,

For wax tapers, double the rates herein imposed upon friction or lucifer matches; on cigar lights, made in part of wood, wax, glass, paper, or other materials, in parcels or packages containing twenty-five lights or less in each parcel or package, one cent,

When in parcels or packages containing more than twenty-five and not more than fifty lights,

two cents,

1

For every additional twenty-five lights or fractional part of that number, one cent additional,

Playing cards.—For and upon every pack not exceeding fifty-two cards in number, irrespective of price or value, five cents,

Canned fish, sauces, etc.—For and upon every can, bottle, or other single package, containing fish, shell-fish, fruits, vegetables, sauces, sirups, prepared mustard, jams, or jellies contained therein and packed or sealed, made, prepared, and sold, or offered for sale, or removed for consumption in the United States, on and after the first day of October, eighteen hundred and sixty-six, when such can, bottle, or other single package, with its contents, shall not exceed two pounds in weight, the sum of one cent.

sum of one cent,
When such can, bottle, or other single package, with its contents, shall exceed two pounds in weight, for every additional pound or fractional part thereof,

one cent,

2

1,

ຄ

1

J

1

1

Cigar lights and playing cards, in the hands of manufacturers and dealers, should be stamped according to the rates fixed by the law now in force. The fact that they were manufactured prior to August 1, 1866, and are stamped in accordance with the law in force at the time of manufacture, does not relieve them from payment of the increased rates by officing addition ment of the increased rates by affixing addition-

al stamps.

No stamp tax is imposed upon any uncompounded incdicinal drug or chemical, nor upon any medicine compounded according to the United States or other national pharmacopæia, or of which the full and proper tormula is published in any of the dispensatories now or hithertoire in common use among physicians or another erto in common use among physicians or apothecaries, or in any pharmaceutical journal now issued by any incorporated college of pharmacy, unless sold or offered for sale or advertised un-der some other name, form, or guise than that under which they are severally denominated and laid down in such pharmacopæias, dispensatories, or journals.

No stamp tax is imposed upon medicines sold to or for the use of any person, which may be mixed and compounded for said person accordmixed and compounded for said person according to the written recipe or prescription of a physician or surgeon. But all medicinal articles, whether simple or compounded by any rule, authority, formula, published or unpublished, which are put up in a style or manner similar to that of patent or proprietary medicines in general, or advertised in newspapers or by public handbills, for popular sale and use, as having any special proprietary claim to merit, or to any peculiar advantage in mode of preparation, quality, use, or effect, whether such claim be real or pretended, are liable to the tax.

The stamps used must be denominated proprietary stamps. It will not not use stamps for legal documents, such as check stamps, etc. Every stamp must be cancelled with the date and name of the party using it.

All dealers in Drake's, Hostetter's, or any similar bitters or alcoholic compounds, which may be used as beverages, must pay the special tax (formerly license) of a retail dealer.

General Statutes pertaining to the Revenue, and more or less applicable to the Internal Revenue system.

1846, August 6, § 16. "For the better organization of the Treasury," etc.

1. "Entries to be made of the public monies other than those of the postoffice department, with payments and transfers."

2. "What shall be deemed evidence of embezzlement."

3. "Payment in other funds to be deemed a conversion, with the punishment provided therefor."

4. "What shall be deemed sufficient evidence to show a balance or a charge

of embezzlement."

reported to be due, to be sued—to forfeit all commissions, and to pay

interest from the time of the receipt

of the money.

§ 2. "A transcript of the books of the treasury, certified by the register, and authenticated under the seal of the department to be evidence."

The original contract shall in certain

cases be produced.

§ 3. In suits against persons indebted to the United States, judgment shall be rendered at the return term, unless oath of credit is made.

§ 4. No credit is however to be admitted, unless presented to the treasury, or out of the power of the party to do

§ 5. In all cases of insolvency, the debt due the United States shall be first

§ 6. Writs of execution may be executed in any State or territory of the Uni-

ted States.

7. Prior legal remedies are not to be impaired, etc.

Remission and Abatement of Taxes, and Indemnity of Collectors.

The Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, is authorized, on appeal to him made, to remit, refund, and pay back all taxes erroneously or illegally assessed or collected, all penalties collected without authority, and all taxes that shall appear to be unjustly assessed or excessive in amount, or in any manner wrongfully collected, and also repay to collectors or deputy collectors the full amount of such sums of money as shall or may be recovered against them, or any of them, in any court, for any internal taxes or licenses collected by them, with the costs and expenses of suit, and all damages and costs recovered against assessors, assistant assessors, collectors, deputy collectors, and inspectors, in any suit which shall be brought against them, or any of them, by reason of anything that shall or may be done in the due performance of their official duties; and all judgments and moneys recovered or received for taxes, costs, forfeitures, and penalties, shall be paid to the collector as internal taxes are required to be paid: Provided, That where a second assessment may have been made in case of 1797, March 3, § 1. Any revenue officer or a list, statement, or return which in the other person not paying over monies opinion of the assessor or assistant assessor was false or fraudulent, or contained any understatement or undervaluation, such

assessment shall not be remitted, nor shall taxes collected under such assessment be recovered, refunded, or paid back, unless it is proved that said list, statement, or return was not false or fraudulent, and did not contain any understatement or undervaluation (1).

In case a claim is made for the refunding of a tax erroneously assessed or collected, the proper affidavits should be made in the prescribed forms (46 or 47,) and contain full and explicit statements of all the material facts and circumstances relating to the claim, in support of which they are offered. It should also be stated whether the error originated with the tax-payer or with an officer of the internal revenue; whether the tax was excessive in amount while correct in kind only, or whether a tax has been reported to the collector when none was due.

The assistant assessor who returned the tax for collection must certify that he had investigated the facts, and that he believes the statement to be true. The assessor of the district should in addition to a like certificate, further certify that from present examination he ascertains that the tax is duly reported and on file in his office, that the same is included in the collector's aggregate receipt, and that the claim has not been heretofore allowed.

The collector also certifies that he has made due examination, that the assessment is on file in his office and duly included in his aggregate

receipt.

The claim is, when thus duly verified, (with such additional affidavits as the claimant may choose to file.) transmitted to the Department, and if allowed, a draft is made by the Commissioner upon the disbursement collector for the amount of the claim established.

Drawback.

1. There shall be an allowance of drawback on all articles on which any internal duty or tax shall have been paid, except raw or unmanufactured cotton, crude petroleum or rock oil, refined coal oil, naphtha. benzine or benzole, distilled spirits, manufactured tobacco, snuff, and cigars of all descriptions, bullion, quicksilver, lucifer or friction matches, eigar lights, and wax tapers, equal in amount to the duty or tax paid thereon, and no more, when exported, the evidence that any such duty or tax has been paid to be furnished to the satisfaction of the Commissioner of Internal Revenue by such person or persons as shall claim the allowance of drawback, and the amount to be ascertained under such regulations as shall, from time to time, be prescribed by the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, and the same shall be paid by the warrant of the Secretary of the Treasury on the Treasurer of the United States,

out of any money arising from internal duties not otherwise appropriated: Provided, That no allowance of drawback shall be made or had for any amount claimed or due less than ten dollars, anything in this act to the contrary notwithstanding: And provided further, That any certificate of drawback for goods exported, issued in pursuance of the provisions of law, may, under such regulations as may be prescribed by the Secretary of the Treasury, be received by the collector or his deputy in payment of duties under this act. Secretary of the Treasury may make such regulations with regard to the form of said certificates and the issuing thereof as, in his judgment, may be necessary: Provided, also, That no claim for drawback on any articles of merchandise exported prior to June thirtieth, eighteen hundred and sixtyfour, shall be allowed unless presented to the Commissioner of Internal Revenue within three months after this amendment takes effect (2).

clusively from cotton, when exported, there shall be allowed as a drawback an amount equal to the internal tax which shall have been assessed and paid upon such articles in their finished condition, and in addition thereto a drawback or allowance of as many cents per pound upon the pound of cotton cloth, yarn, thread, or knit fabrics, mauufactured exclusively from cotton and exported, as shall have been assessed and paid in the form of an internal tax upon the raw cotton entering into the manufac-ture of said cloth or other article, the

2. That upon articles manufactured ex-

amount of such allowance or drawback to be ascertained in such manner as may be prescribed by the Commissioner of Internal

Revenue, under the direction of the Secre-

tary of the Treasury (3).

3. If any person or persons shall fraudulently claim or seek to obtain an allowance or drawback on goods, wares, or merchandise, on which no internal duty shall have been paid, or shall fraudulently claim any greater allowance or drawback than the duty actually paid, as aforesaid, such person or persons shall forfeit triple the amount wrongfully or fraudulently claimed or sought to be obtained or the sum of five hundred dollars, at the election of the Secretary of the Treasury, to be recovered as in other cases of forfeiture provided for in general provisions (4).

^{(2) 1864, § 171.} March 3, 1865, § 1. July 13, 1866 § 13. (3) Ihidem. July 13, 1866, § 6. (4) Ibidem, § 172.

^{(1) 1864, § 44.} July 13, 1866, § 9.

MISCELLANEOUS PROVISIONS.

1. All manufactures and productions subject to tax by either of the acts repealed, and in possession of the manufacturer or his agents, the duty imposed by former acts not having been paid, shall be held to have been manufactured subsequently (1).

2. The Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, shall make all such regulations as are made necessary by the change

of the law (2).

3. Consuls of foreign countries in the United States, who are not citizens thereof, shall be, and hereby are, exempt from any income tax imposed by this act which may be derived from their official emoluments, or from property in such countries: Provided, That the governments which such consuls may represent shall extend similar exemption to consuls of the United States (3).

4. Collectors shall prosecute for fines, penalties and forfeitures, in the name of the United States, and the informer's share shall be determined by the judgment of the When not otherwise provided for such share not exceeding five thousand dollars shall be to the use of the person who first informs of the matter, cause, etc., whereby the penalty, fine or forfeiture has

been incurred (4).

5. The Commissioner is authorized under general regulations to compromise any case arising under the revenue laws, whether pending in court or otherwise (5).

6. In all informations for penalties by civil action, either party may be a witness

in his own behalf (6).

7. Every person who shall receive any money or other consideration under a threat of becoming an informer, shall, on conviction, be subject to a fine of two thousand dollars or to imprisonment, not exceeding one year at the discretion of the court (7).

8. Debts contracted through the sale of articles with intent to avoid the tax and all securities, shall be void, saving bona fide transfers, etc., to innocent holders of the property (8).

9. Whenever the word "State" is used, it shall include territories and District of Columbia (9). The word "duty" shall mean "tax" when pertinent.

10. Suits or prosecutions against internal revenue officers, acting under authority of the law, may be removed to the United States Circuit Court, and the proceedings therefor are particularly set forth (10).

11. If any officer appointed under this act, or any person acting under his authority, who is injured in his person or property, while acting under authority of the internal revenue laws, may maintain a suit therefor in the Circuit Court of the United States (11).

12. Any property detained under the revenue laws shall be irrepleviable, and shall be deemed to be in the custody of the

law (12).

13. Any case which may have been removed from the courts of any State under the fiftieth section to the courts of the United States shall be remanded to the State court from which it was so removed, with all the records relating to such cases, unless the justice of the circuit court of the United States in which such suit or prosecution is pending shall be of opinion that said case would be removable from the court of the State to the circuit court under and by virtue of the sixty-seventh section of this act. And in all cases which may have

^{(1) 1864, § 173.} (2) Ibidem, \$ 174. (3) Ibidem, \$ 178.

⁽⁴⁾ Ibidem, July 13, 1866.

Ibidem. (6) Ibidem.

^{(7) 1864. § 179.}

⁽⁸⁾ Ibidem, § 180. (9) Ibidem, § 182. (10) 1866, July 13, § 67.

¹¹⁾ Ibidem. (12) Ibidem.

been removed from any court of any State under and by virtue of said fiftieth section dred and sixty-four, all attachments made, and all bail or other security given upon such suit or prosecution, shall be and continue in full force and effect until final judgment and execution, whether such suit shall be prosecuted to final judgment in the circuit court of the United States, or remanded to the State court from which it was removed (1).

14. Whenever a writ of error shall be issued for the revision of any judgment or decree in any criminal proceeding where is drawn in question the construction of any statute of the United States, in a court of any State, as is provided in the twentyfifth section of an act entitled "An act to establish the judicial courts of the United States," passed September twenty-fourth, seventeen hundred and eighty-nine, the defendant, if charged with an offence bailable by the laws of such State, shall not be released from custody until a final judgment upon such writ, or until a bond, with sufficient sureties, in a reasonable sum, as ordered and approved by the State court. shall be given; and if the offence is not so bailable, until a final judgment upon the writ of error. Writs of error in criminal cases shall have precedence upon the docket of the Supreme Court of all cases to which the government of the United States is not a party, excepting only such cases as the court, at their discretion, may decide to be of public importance (2).

15. One hundred thousand dollars, or so much thereof as may be necessary, was in 1867 appropriated for detecting or bringing to trial persons guilty of violating the revenue laws, or conniving at the same, when such expenses are not otherwise provided

by law (3).
16. If two or more persons conspire to commit any fraud against the United States, and one or more of said parties shall do any act to effect the object, the parties shall be deemed guilty of a misdemeanor, and be liable to a penalty of not less than one thousand nor more than ten thousand dollars, and to imprisonment not exceeding two years (4). When the offence is begun in one judicial district and finished in another, the party may be tried in either district (5.)

(5) Ibidem.

which are not specially provided for, are of said act of June thirtieth, eighteen hun-increased in value by being polished, colored, or otherwise more completely finished, without changing their original purpose, they are taxed five per cent. on such increased value. Such "increasing of value" is deemed manufacturing, and liable to all the general provisions of law in that behalf. But all manufactures are exempt when the increased value does not exceed five per cent (6). 18. If manufacturers do not comply with the provisions of law in relation to their

17. Whenever taxed manufactures, etc.,

returns, the assistant may estimate the amount and value of their products, and upon this assessment add fifty per cent (7).

19. Inspectors and revenue agents cannot be interested in the manufacture of tobacco, snuff, or cigars, neither can they, or assessors or collectors, be interested, directly or indirectly, in the making of spirits, ale, or beer, or other fermented liquors, un-

der severe penalties (8). 20. The removal or concealment of goods, materials, utensils, etc., used for manufacturing, with intent to defraud the revenue, is cause of forfeiture (9). Search warrants may be issued in this behalf (10). statute of 1866 makes full provisions for the seizure and sale of goods valued at three hundred dollars or less (11).

21. No suit shall be maintained for illegal taxes until an appeal is made to the

Commissioner (12).

22. False swearing in all revenue proceedings shall be deemed perjury (13).

23. The personation of a revenue officer, and as such demanding or receiving money, etc., is deemed felony with penalty of fine and imprisonment (14).

24. The taxes received on cotton and distilled spirits, shipped in bond, is divided in calculating the commissions of assessors

and collectors (15).

25. The Commissioner may designate assistant assessors in any collection district to have charge of any specified objects of taxation, and other assistants report to him (16).

⁽¹⁾ July 13, 1866, § 68.

⁽²⁾ Ibidem, § 69. (3) March 2, 1867, 27. (4) March 2, 1867, 230.

^{(6) 1864, \$\? 95, \? 96.} (7) 1864, \$\? 85. (8) 1866, \$\? 59. (9) 1866, \$\? 14. (10) 1866, \$\? 15. (11) 1866, \$\? 63, also \? 9. (12) 1867, \$\? 10. (13) 1864, \$\? 42. (14) 1867, \$\? 28. (15) 1867, \$\? 9. (16) 1867, \$\? 6.

RESUME.

THE duties of tax-payers have thus been briefly reviewed and detailed. A careful examination of the provisions of law herein contained will enable any one intelligently to fulfil these duties. We epitomize:

1. If engaged in any business, trade or occupation, he ascertains whether he comes within any definition of an occupation requiring a special tax, and he is liable at once for failing to give the proper notice to the assistant assessor of the division where he resides.

2. If he is engaged in any business requiring a monthly tax on sales (as a wholesale dealer, etc.,) he makes careful monthly returns of such sales upon the proper blank.

3. At the time of the annual assessment he procures from the assistant a blank for a full return of his income, and of the articles he owns or possesses in Schedule A, and makes a clear and ingenuous statement of the same, returning the same to the assistant within the required time.

4. If a manufacturer of any article or thing subject to a specific or ad valorem tax, he diligently ascertains the rate of tax to which he is subject, or if the article or thing manufactured by him, is under any stage or circumstances exempt from tax, it will be grateful to him to so discover and save the burden of taxation to the fullest extent. If he is liable to tax he will keep careful accounts of the sales made by him, and return the statement duly sworn to, at the proper time.

5. If he is a distiller, brewer, manufacturer of tobacco, snuff and cigars, or otherwise engaged in a business that requires a bond before it is commenced or continued, he sees to it that a good bond is executed and duly filed with his notice of intention to carry on the business. He will further make it certain that his agent or other employes keep exact account of the business, and furnish inspectors, assistant assessors, collectors and assessors, and all other offi-

cers, duly authorized in the premises with all returns and statements. Unwavering ingenuousness and honesty is the better policy in dealing with the Government.

6. If he is a banker, broker, or officer of an incorporated bank, he will see to it that all his returns to the Government officials are made with the same exactness and promptitude as in his dealings with his customers. A man who will defraud the Government of a cent, will cheat his cus-

tomers and defraud his neighbors.

7. If he is an express company officer, auctioneer, secretary or treasurer of an insurance company, lottery dealer, telegraph officer, proprietor of a theater, circus, opera house or museum, or other person paying taxes, monthly or otherwise, upon gross receipts, or accountable officer of a railroad, steamboat, ship, canal, or otherwise, his accounts will be kept in such a manner that the officer of the Government as well as the stockholder, may at any time and with facility examine them; and that the due returns are punctually made and returned to the assistant assessor.

8. If he is entitled to a legacy by will, or to a distributive share of an intestate estate, or if he is the successor of an interest subject to tax: or has received by voluntary conveyance any real estate from father or mother or other ancestor or grantor, he will punctually as soon as he comes into possession, give notice to the assistant assessor, and make his sworn return, or if he is unable to fix and estimate his interest and ascertain the tax due, he will seek proper information from those who are supposed to be able to assist him, or directly apply to the Commissioner.

9. In fine, the tax-payer has no reasonable excuse if he neglects to render to the assistant assessor all returns demanded of him that are required of the law. Blanks adapted to the nature of his returns, are easily to be had upon application. It may not be without benefit to recite them, with

the numbers by which they are known in the administration of the law.

- Manufacturer's monthly return. No. 3.
- No. 4. Monthly return of gross receipts.
- Monthly return of sales. No. 6. No. 11. Return for special tax.
- No. 12. Notice by manufacturers.
- No. 13. Book to be kept by distillers
- No 14. Distillers tri-monthly accounts.
- No. 15. Monthly account of apple, peach, or grape distillers.
- No. 18. Brewer's monthly return.
- No. 20. Brewer's bond.
- No. 24. Return of annual taxes (incomes,
- No. $24\frac{1}{2}$. Supplementary return for farmers.
- No. 25. Book to be kept by distillers of coal oil (form).
- No. 26. Coal oil distiller's monthly ac-
- No. 27. Distiller's notice.
- Coal oil distiller's bond. No. 28.
- No. 30. Distiller's bond.
- No. 31. Annual return of gross amount of sales by dealers.
- No. 34. Succession return.
- No. 35. Return of legacies.
- No. 36. Tobacconist's statement.
- No. 37. Cotton return.
- No. 40. Tobacconist's bond.
- No. 45. Rectifier's return.
- No. 46. Claim for refunding of taxes improperly collected.
- No. 47. Claim for remission of taxes uncollected.
- No. 62. Tobacco and snuff manufacturers monthly return.
- No. 64. Returns by insurance companies of premiums and assessments.
- No. 65. Returns of dividends.
- No. 66. Returns by banks of net profits.

No. 67. Return of bank circulation, etc.

- No. 68. Returns by railroad companies, etc., of interest paid on bonds.
- No. 70. Inventory of tobacco, snuff and cigars.
- No. 72. Cigar manufacturer's monthly re-
- Cigar maker's account book (form). No. 73.
- No. 74. No. 75. Cigar maker's monthly return.
- Assayer's monthly return.
- No. 76. Cotton manufacturer's return.
- Brewer's book (form). No. 104.
- No. 106. Semi-annual return of savings banks, etc.
- No. 107. Bond for transportation of cotton.
- No. 108. Application for permit to remove cotton.

These who would make themselves more perfectly familiar with the statutes pertaining to internal revenue, and the great variety of rulings and decisions under them, will find the department edition of the law, and the circulars issued by the Commissioner, of great value in this regard. References also made to Boutwell's Manual, (both editions), Emerson's Internal Revenue Guide, (three editions), and to the Internal Revenue Record published in New York city, where will be found a complete collection of the rulings and decisions of the internal revenue office, and those of the Secretary of the Treasury.

The tax-payer has no excuse either in neglecting the duty devolved upon him by the law, or in attempting to "withhold part of the price" the nation has paid for its existence. The plea of ignorance now can-not avail, and "gross carelessness," now as ever, is reasonably deemed equivalent ot fraud. Penalties will be impartially enforced, and prosecutions will, in all proper

cases be vigorously pursued.

EXAMPLE UNDER CARLISLE TABLES.

John Brown died in 1860, leaving Whiteacre to his widow during her life, remainder to his brother William for life, remainder to his son George in fee. The widow died in July, 1864, and William took possession of Whiteacre, being 60 years old. William died in May, 1865, and George immediately took Whiteacre The rental value of Whiteacre is estimated at \$1,000 at the time William took his succession. His probability of life at that time was 14.34 years, and if his return had been made promptly, he would

have been taxed on the then present worth of an annuity of \$1,000 for that term, which by the tables (third column) is 9,4368 X 1,000 = 9436.80, and his neglect in not making a return ought not to benefit his estate. He should be taxed forthwith on a valuation of 9436.80, and the assessment should be dated as of the day when John Brown's widow died. George has a perpetuity, and the actual value of Whiteacre should be estimated, and he be taxed thereon as of the day when William died.

CARLISLE TABLES.

TO BE FOLLOWED IN CALCULATING TAX ON LEGACIES AND SUCCESSIONS.

	Expectancy of life in years and hundredths.	esent value of annuity of \$1.00 for the num- ber of years and hund- redths of years found in second column at 6	esent value of \$1.00 to be received at the end of the number of years and hundredths of years, as found in second column, interest at 6 per cent.		xpectancy of life in years and hundredths.	Present value of annuity of \$1.00 for the number of years and hundredths of years found in second column at 6 per cent.	esent value of \$1.00 to be received at the end of the number of years and hundredths of years, as found in second column, interest at 6 ler cent.
	ndr.	fan She Ind J	of dan podr founding.		life	fan he nd] nd]	of a number of four four in it.
AGE.	of hun	or to or types	esent value of to be received a end of the num years and hundi of years, as fou second column, est at 6 per cent,	AGE.	of	ne of am or the r rs and h years f	esent value of to be received a end of the numb years and hundry of years, as four second column, is
210123.	ncy	esent values of \$1.00 f ber of year redths of in second per cent.	esent value to be receive end of the n years and hi of years, as second colum	AGE.	ney	year of of	rathe received the name hand hand has, as colume of 1 or c
	ers a	esent val of \$1.00 f ber of yes redths of in second	be lof urs		ctan urs a	esent val of \$1.00 f ber of yea redths of in serond per cent.	be les les les les les les les les les le
	Expe	Present of \$1, ber of redthi in sec	Present to be end of years of years second est at		Expectancy years and	Prese of 6 ber red in 1	Present to be end of years of years second
0	38.72	14.9202	.104788	51	20.39	11.5846	.304922
1	44.68	15.4325	.074045	52	19.68	11.3701	.317792
2	47.55	15.6225	.062645	53	18 97	11.1482	.331108
3	49.82	15.7521	.054874	54	18.28	10.9201	.344791
4	50.76	15.8008	.051953	55	17.58	10.6805	.359172
5	*51.25	15.8252	.050490	56	16.89	10.4364	.373815
6	51.17	15.8213	.050722	57	16.21	10.1839	.388967
7	50.80	15.8029	.051830	58	15.55	9.9287	.404275
8	50.24	15.7742	.053551	59	14.92	9 6788	.419268
9	49.57	15.7385	.055689	60	14.34	9 4368	.433789
10	48.82	15.6972	.058168	61	13 82	9.2154	.447078
11	48.04	15.6523	.060860	62	13.31	8.9900	.460612
12	47.27	15.6055	.063670	63	12.81	8.7636	.474184
13	46.51	15.5573	.066559	64	12.30	8.5245	.488530
14	45.75	15.5072	.069566	65	11.79	8.2793	.503231
15	45.00	15.4558	.072650	66	11.27	8.0211	.518737
16	44.27	15.4028	.075832	67	10.75	7.7552	.534690
17	43.57	15.3501	.078996	68	10.23	7.4813	.551125
18	42.87	15.2956	.082267	69	9.70	7.1926	.568446
19	42.17	15.2384	.085695	70	9.18	6.9022	.585867
20	41.45	15.1778	.089331	71	8.65	6.5945	.604328
21	40.75	15.1151	.093095	72	8.16 7.72	6.3045	.621730
$\begin{bmatrix} 22 \\ 23 \end{bmatrix}$	40.04	15.0500	.097002	73		6.0341	.637953
24	39.31	14.1972	.101248	74	7.33 7.01	5.7894	.652634
25	38.59	14.9068	.105592	75	6.69	5.5887	.677427
$\begin{array}{c c} 25 \\ 26 \end{array}$	37.86	14.8307	.110157	77	6.40	5.3762	.688999
$\begin{bmatrix} 20 \\ 27 \end{bmatrix}$	37.14	14.7521 14.6685	.114876	78	6.12	5.1833	.700173
28	36.41 35.69		.119892 $.125024$	79	5.80	4.7763	.713420
29	°35.00	$14.5829 \\ 14.4982$.130105	80	5.51	4.5719	.725687
30	34.34	14.4982	.135258	81	5.21	4.3604	.738376
31	33.68	14.4125	.140560	$\begin{vmatrix} 81 \\ 82 \end{vmatrix}$	4.93	4.1601	.750394
32	33.03	14.5240	.145938	83	4.65	3.9508	.762940
33	32.36	14.1366	.151789	84	4.39	3.7565	.774590
34	31.63	14.0344	.157932	85	4.12	3.5548	.786687
35	31.00	13.9291	.164255	86	3.90	3.3859	.796820
36	30.32	13.8174	.170957	87	3.71	3 2354	.805855
37	29.64	13.7021	.180796	88	3.59	3.1403	.811562
38	28.96	13.5833	.185000	89	3.47	3.0453	.817268
39	28.28	13.4579	.192530	90	3:28	2.8948	.826304
40	27.61	13.3289	.200208	91	3.26	2.8789	.827255
41	26.97	13.2043	.207741	92	3.37	2.9661	.822024
42	26.34	13.0737	.215580	93	3.48	3.0532	.816793
43	25.71	12.9395	.223635	94	3.53	3.0928	.814415
44	25.09	12.3333	.231812	95	3.53	3.0928	.814415
45	24.46	12.6576	.240548	96	3.46	3.0374	.817744
46	23.82	12.5059	.249646	97	3.28	2.8948	.826304
47	23.17	12.3454	.259278	98	3.07	2.7284	.836290
48	22.51	12.1751	.269494	99	2.77	2.4799	.851206
49	21.81	11.9889	.280669	100	2.28	2.0685	.875891
50	21.11	11.7946	.292324				

Showing the Amounts to be Charged for Licenses now a Special Tax for Fractional Parts of a Year. FOR THE USE OF ASSISTANT ASSESSORS AND OTHERS.

TABLE

500 0	300 0	200 0	100 0	75 0	50 0	25 0	20 0	15 0	12 5	10 0	5 0	MONTHS	12
0	0	0	0			0	0				0		
458	275	183	91	68	45	22	18	13	11	9	4	MONTI	11
33	00	පුප	67	75	83	92	ಲ	75	46	17	58	IS.	
416	250	166	83	62	41	20	16	12	10	∞	4	MONTH	10
67	00	67	22	50	67	83	67	50	42	33	17		
375	225	150	75	56	37	18	15	11 :	9	7	ငဗ	HTNOM	9
			00	25	50	75	00	25	88	50	75	Ω	
			66	50.	ಐ	16	13	10	∞	6	င္မ	LNOW	00
83	00	25	67	00	23	67	89	00	23	67	8	HS.	
291	175	116	58	43	29	14	11	<u></u>	7	Oī	12	LNOW	マ
67	0.0	67	33	75	17	58	67	75	29	83	92	HS.	
250	150	100	50	37	25	12	10	7	6	<u>ت</u>	2	NON	<u> </u>
00	00	00	00	50	00	50	00	50	25	00	50	SHI	
208	125	83	41	31	20	10	<u></u>	6	٠ ت	4	22	. MON	OT
ಐ	00	ಲ	67	25	83	42	ಲ್ಲ	25	21	17	08	THS	•
166	100	99	ဗ္ဗ	25	16	∞	6	<u>ت</u>	4	හ .	——-		.4
67	00	67	ಲ	00	67	ಬ	67	00	17	<u>ප</u>	67	SILI	п-
125	75	50	25	18	12	6	<u>ن</u>	ಲ	ယ	12	<u> </u>	·	ယ
00	00	00	00	75	50	25	00	75	13	50	25	THS	ω
00	<u>ت</u>	ಲು	<u> </u>	<u> </u>							,		
3 33	0 00	3 3 3 3	6 67	2 50	8 33	4 17	<u>න</u>	2 50	2 08	1 67	83	NTHS	ಬ
						•						. HTNOM.	
41	25	16	∞	G	4	N		السما				5	
	00 458 33 416 67 375 00 333 33 291 67 250 00 208 33 166 67 125 00 83	00 275 00 250 00 225 00 200 00 175 00 150 00 125 00 100 00 75 00 50 00 458 33, 416 67 375 00 333 33 291 67 250 00 208 33 166 67 125 00 83	00 183 33 166 67 150 00 133 33 116 67 100 00 83 33 66 67 50 00 33 00 275 00 250 00 225 00 200 00 175 00 150 00 125 00 100 00 75 00 50 00 458 33, 416 67 375 00 333 33 291 67 250 00 208 33 166 67 125 00 83	00 91 -67 83 33 75 00 66 67 58 33 50 00 41 67 33 33 25 00 16 00 183 33 166 67 150 00 133 33 116 67 100 00 83 33 66 67 50 00 33 00 275 00 250 00 225 00 200 00 175 00 150 00 125 00 100 00 75 00 50 00 458 33 416 67 375 00 333 33 291 67 250 00 208 33 166 67 125 00 83	00 68 75 62 50 56 25 50.00 43 75 37 50 31 25 25 00 18 75 12 00 91 67 83 33 75 00 66 67 58 33 50 00 41 67 33 33 25 00 16 00 183 33 166 67 150 00 133 33 116 67 100 00 83 33 66 67 50 00 33 00 275 00 250 00 225 00 200 00 175 00 150 00 125 00 100 00 75 00 50 00 458 33 416 67 375 00 333 33 291 67 250 00 208 33 166 67 125 00 83	00 45 83 41 67 37 50 33 33 29 17 25 00 20 83 16 67 12 50 8 00 68 75 62 50 56 25 50 00 43 75 37 50 31 25 25 00 18 75 12 00 91 67 83 33 75 00 66 67 58 33 50 00 41 67 33 33 25 00 16 00 183 33 166 67 150 00 133 33 116 67 100 00 41 67 33 33 25 00 16 00 275 00 250 00 225 00 200 00 175 00 150 00 125 00 100 00 75 00 50 00 458 33 416 67 375 00 33 33 291 67 250 00 208 33 166 67 125 00 83	00 22 92 20 83 18 75 16 67 14 58 12 50 10 42 8 33 6 25 4 00 45 83 41 67 37 50 33 33 29 17 25 00 20 83 16 67 12 50 8 00 68 75 62 50 56 25 50 00 43 75 37 50 31 25 25 00 18 75 12 00 91 67 83 33 75 00 66 67 58 33 50 00 41 67 33 33 25 00 16 00 183 33 166 67 150 00 133 33 116 67 100 00 83 33 66 67 50 00 16 00 275 00 250 00 225 00 200 00 175 00 150 00 125 00 100 00 75 00 50 50 00 458 33 416 67 375 00 33 33 291 67 250 00 125 00 100 00 75 00 50 00 458 33 416 67 375 00 383 33 291 67 250 00 125 00 100 00 75 00 50	00 18 33 16 67 15 00 13 33 11 67 10 00 8 33 6 67 5 00 3 00 22 92 20 83 18 75 16 67 14 58 12 50 10 42 8 33 6 25 4 00 45 83 41 67 37 50 33 33 29 17 25 00 20 83 16 67 12 50 8 00 68 75 62 50 56 25 50 00 43 75 37 50 31 25 25 00 18 75 12 00 91 67 83 33 75 00 66 67 58 33 50 00 41 67 33 33 25 00 18 75 12 00 183 33 166 67 150 00 183 33 116 67 100 00 83 33 66 67 50 00 16 00 183 33 166 67 150 00 175 00 150 00 125 00 100 00 75 00 30 00 275 00 250 00 225 00 20 00 175 00 125 00 100 00 75 00 50 00 458 33 416 67 375 00	00 13 75 12 50 11 25 10 00 8 75 7 50 6 25 5 00 3 75 2 00 18 33 16 67 15 00 13 33 11 67 10 00 8 33 6 67 5 00 3 00 22 92 20 83 18 75 16 67 14 58 12 50 10 42 8 33 6 25 4 00 45 83 41 67 37 50 33 33 29 17 25 00 20 83 16 67 12 50 8 00 68 75 62 50 56 25 50 00 43 75 37 50 31 25 25 00 18 75 12 00 91 67 83 33 75 00 66 67 58 33 50 00 41 67 33 33 25 00 18 75 12 00 91 67 83 33 75 00 66 67 58 33 50 00 41 67 33 33 25 00 16 00 183 33 166 67 150 00 13 33 116 67 100 00	50 11 46 10 42 9 38 8 33 7 29 6 25 5 21 4 17 3 13 2 00 13 75 12 50 11 25 10 00 8 75 7 50 6 25 5 00 3 75 2 00 18 33 16 67 15 00 13 33 11 67 10 00 8 33 6 67 5 00 3 75 3 00 22 92 20 83 18 75 16 67 14 58 12 50 10 42 8 33 6 25 4 6 25 4 00 45 83 41 67 37 50 33 33 29 17 25 00 20 83 16 67 12 50 8 00 68 75 62 50 56 25 50 00 43 75 37 50 31 25 25 00 18 75 12 00 91 67 83 33 75 00 66 67 58 33 50 00 41 67 33 33 25 00 18 75 12 00 183 33 166 67 150 00 183 33 116 67 100 00 83 33 66 67 50 00 33 0	00 9 17 8 33 7 50 6 67 5 83 5 00 4 17 3 33 2 50 4 50 11 46 10 42 9 38 8 33 7 29 6 25 5 21 4 17 3 13 2 50 00 13 75 12 50 11 25 10 00 8 75 7 50 6 25 5 21 4 17 3 13 2 00 18 33 16 67 15 00 13 33 11 67 10 00 8 33 6 67 5 00 3 75 2 00 18 33 16 67 15 00 13 33 11 67 10 00 8 33 6 25 5 00 3 6 25 4 6 25 5 00 3 00 45 83 41 67 37 50 33 33 29 17 25 00 20 83 16 67 12 50 8 00 91 67 83 33 75 00 66 67 58 33 50 00 41 67 33 33 25 00 18 3 66 67 50 00 <	00 4 58 4 17 8 75 3 38 2 92 2 50 2 08 1 67 1 25 00 9 17 8 33 7 50 6 67 5 83 5 00 4 17 3 33 2 50 1 50 11 46 10 42 9 38 8 33 7 29 6 25 5 21 4 17 3 13 2 50 1 50 13 75 12 50 11 25 10 00 8 75 7 50 6 25 5 21 4 17 3 13 2 60 13 75 12 50 11 25 10 00 8 75 7 50 6 25 5 00 3 75 2 100 18 33 16 67 15 00 13 33 11 67 10 00 8 33 6 67 5 00 3 100 45 83 41 67 37 50 33 33 29 17 25 00 20 83 16 67 12 50 8 100 45 83 16 67 15 00 43 75 37 50 31 25 25 00 <	HIS. MONTHIS. A 175 DONG MONTHI



APPENDIX

NOTE A. (See p. 24.)

Distilled Spirits and Distilleries.

It does not comport with the purpose, and hardly comes within the provisions of this Hand-Book of the Law, to recite the numerous and somewhat complicated provisions, rulings and instructions pertaining to distilled spirits, and which have heretofore regulated the administration of this important object of taxation. It may not, however, be without practical advantage, to refer the reader to the more important of these official rulings and regulations, with the instructions which from time to time have been issued from the Department to assistant assessors, inspectors, etc., having charge of distilleries.

I. Regulations for the establishment of bonded warehouses under the internal revenue acts, for the entry, withdrawal, transportation and exportation of the merchandise deposited therein, and for the keeping of proper accounts thereof by assessors, under the law of July 13, 1866, issued July 13, 1866.

2. Circular addressed to assessors and collectors concerning distilleries, issued March 4, 1867, to conform to the changes of the law under the act of 1867.

3. Duties of assistant assessors in charge of distilleries, established under former laws, as contained in circular of the Department, dated January 1, 1866.

4. Circular concerning the transportation of spirits in bond, dated January 16, 1867; also regulations for distilleries, together

with refineries of coal and mineral oils, of

date October 17, 1866.

5. A digest of rulings and decisions pertaining to the tax on spirits, distilleries, the forfeiture of spirits, their removal in bond, etc.; contained in Emerson's Revenue Guide, third edition, pages 293 to 300 inclusive. (See also annual report, December 1867, of Hon. E. A. Rollins, subject, "Distilled Spirits.")

6. Regulations concerning internal revenue bonded warehouses, — transportation and exportation of goods in bond,-allowance for leakage, etc., and accounts of

bonded goods, of August 29, 1867.

The failure to collect, to an alarming extent, the legitimate taxes upon distilled spirits, and the enormous frauds which manifestly have been perpetrated for the past three years, with comparative immunity, is exciting great attention, both at the Department of the Treasury, and among honest distillers (it is presumed there are some!) and the revision of the law by Congress, is probable at the present session (1867-8); and a reduction of the tax, or a different mode of assessing and collecting it, or both, is to be anticipated. Attention is called to this important subject, not only in the able and interesting annual reports of the Secretary of the Treasury and the Commissioner of Internal Revenue, but also prominently alluded to in the message of the President of the United States. conventions are being held by those interested in the business; and it is generally conceded that any change can only be an improvement. Fixing the tax by proportioning it to the capacity of the stills, seems to be a favorite suggestion; but the Commissioner demonstrates that this is wholly impractical, and rather tends to aggravate the evil, and widen the door for frauds. Doubtless the temptation to fraud will be weakened if a substantial reduction is made upon the rate of two dollars per gallon (the present rate), which is about six times the cost of the production of the ordinary dis-It is matter of serious question tillations. whether any article, (luxury or otherwise), can practically bear such a great disproportion between the value of the product and the excise burden. Six hundred per cent. of profit from an illicit transaction, is a heavy draft upon the temerity of speculation, and the weakness of human nature, stimulated by one of its worst passions,—avarice!

NOTE B. (See p. 41.)

Manufactures, and their Taxes ad valorem, under the Law of July 13, 1866.

DEDUCTIONS, ETC.

Probably no subject is of greater importance to the manufacturing industry of the country, than the mode and basis in and upon which the tax, ad valorem, is to be now assessed upon their products; and more particularly, a true and reliable answer to the question whether any "deductions" are allowable from the gross price for which the commission merchant sells the goods consigned to him for sale, in his own name, and without the direct intervention of the consignor or manufacturer, or his agent; (the usual mode in which ninetenths of the manufactured goods and products, subject to tax, in New England, etc., are disposed of.)

The question arises out of the phraseology of amended § 86, of the law of 1864. I propose, in attempting to elucidate this subject to examine as critically and carefully as I can the former provisions of law as enacted in the statutes pertaining to internal revenue—the decisions and rulings which have been made severally upon each—the practice which has existed upon these provisions and constructions; and the modifications or changes which may have become necessary under this amended

§ 86, before referred to.

Three questions arise, and the answer to them will subserve the purpose of this

note, viz: 1. Upon what "return" or statement of the sales of the manufacturer is the tax to

be assessed?

2. Is it the gross, or net amount of sales?
3. Are any "deductions," so-called, to be allowed the manufacturer under the present law?

Let us look at former statutes, and the rulings of the Department upon them.

(a) Original law or law of 1862:

§ 74. "And be it further enacted, That the value and quantity of the goods, wares and merchandise, required to be stated as aforesaid, and subject to an ad valorem duty, shall be estimated by the actual sales made by the manufacturer, or by his, her, or their agent, or person or persons acting in his, her, or their behalf; and when such goods, wares and mer-chandise have been removed for consumption, or for delivery to others, or placed on shipboard, or are no longer within the custody and control of the manufacturer or manufacturers, or his or their agent, not being in his, her or their factory, store or warehouse, the value shall be estimated by the market value of like goods, wares and merchandise, during the time when the same would have become liable to, and charged with duty."—Law of 1862.

§ 75. . . . "Provided further, That in estimating the duties upon articles manufactured, when removed and sold at any other place than the place of manufacture, there shall be deducted from the gross amount of sales, the freight, commission, and expenses of sale actually paid, and the duty shall be assessed and paid upon the net amount after the deductions as aforesaid." Boutwell, first edition, page 72.

In January, 1863, or only four months after the law (original) took effect, the following decision was made by the commissioner (Boutwell):

"In estimating the duties upon articles manufactured, when removed and sold at any other place than the place of manufacture, there shall be decucted from the gross amount of sales the following items, viz: Freight from the place of manufacture storage, in-surance and commissions actually paid. When the articles are sold by the manufacturer, an allowance may be made for the expenses of sale, not exceeding the usual commissions upon the same, or similar articles at the place of sale.—Boutwell, first edition, page 250.

In February, 1863, it was ruled as to "articles removed for consumption or use:"

"Whenever a manufacturer shall use, or remove, for consumption or use, any articles, goods, wares, or mer-chandise, which if removed for sale would be liable to taxation as manufacturers, he shall be assessed on the salable value of the articles, goods, wares, or merchandise, so used or so removed, for consumption or use. It is not necessary in order to render a manufacturer liable to taxation under this decision, that the articles be removed from the premises or even from the building in which they were made."—Boutwell, first edition, page 254.

It will be noted that the word "agent" is used in this original statute, and in all subsequent statutes, and the true meaning of the term, as will be seen hereafter, becomes important, nay, essential to the true elucidation of this matter.

Agent.—In December, 1862, the following

decision was made:

"The word 'agent' as used in the 74th and 75th sections of the Excise Act, is construed to mean either a person who is the exclusive agent of a manufacturer, or any person or firm selling goods on commission, designated by a manufacturer as his agent for the sale

of his manufactures."
"In all cases the manufacturer will be required to make known to the assessor or assistant assessor of the district, the name and place of business of the 'agent' so designated."—Decision, page 40; Bout-

well, first edition, page 238.

Under this statute the following considerations become important in its practical construction:

1. By § 74 there were two classes of val-

uation.

(a). An estimate of the value and quantity based upon actual sales by the manufacturer or his authorized agent: in other words, the gross amount of such actual sales, as per bills delivered vendee, including of course all expenses for freight, insurance, cartage, commissions, and other expenses of sale.

(b) The amount of deductions allowed by the following section (§ 75), which were distinctly enumerated in the last named section as "freight, commissions, and expenses of sale actually paid," but only deducted, when the goods were sold at some other place than the "place of manufacture."

The tax was of course assessed upon the net amount of such sales after these deductions were made, and practically such deductions were as variable in different revenue districts as well could be conceived.

The deductions were applicable as well when goods were sold through an agent as when sold by a commission house—and indeed in all cases where the goods were sold at any other place than the place of manufacture (1).

"The Commissioner of Internal Revenue decided that a commission merchant is not an agent within the meaning of the Excise Law. The word agent, as it is there used, is held to apply to a person who does business or holds goods for one particular interest, or one particular manufacturer. For instance, if a manufacturer in the country has a store in Boston, New York, or elsewhere, where his own goods are sold or held exclusive of any other goods, such store is considered as a part of his factory, and the person having charge of it as his agent. The law provides that assistant assessors may have access to the books of a manufacturer, but it does not provide that he may examine the books of a commission merchant where an account is kept with others. While goods are in the factory or store-house of the manufacturer not offered for sale, or while they are under the control of such an agency as above-described, they are not subject to duty, but when they are sold, re-moved, delivered or placed in market otherwise than in the hands of such an agency, they are subject to duty, and the monthly returns must include all sales by such agents as well as those made at the factory, or removed for sale or delivery.
"Goods removed for sale are subject to duty. The

value must be stated as nearly as possible, and this value must be estimated by actual sales made by the manufacturer—account of sales made by commission merchants or otherwise. When goods have actually been sold, there will of course be no difficulty in fixing the value. If the goods are not sold, but are in market, the market value of like goods can be easily ascertained. From the value of such goods there may be deducted 'freight commissions and expenses may be deducted 'freight, commissions, and expenses of sale,' also legal interest when goods are sold on of sale,' also legal interest when goods the time. Each manufacturer must ascertain for himself what such deductions should be, and as the statement is a sworn one, much care should of course be ex-ercised to make the allowance properly. Probably no uniform tariff of 'expenses of sale,'&c., is practicable.'

The law of 1863 made no change in this But the law of June 30, 1864, being a practically full revision of the whole system provides as follows on this subject:

§ 86. And be it further enacted, That any person, firm, company, or corporation, manufacturing or producing goods, wares, and merchandise, sold or removed for consumption or use, upon which duties or taxes are imposed by law, shall, in their return of the value and quantity, render an account of the full amount of actual sales made by the manufacturer, producer, or agent thereof, and shall state in a sepa-

rate column the items and amount of the deductions, if any, claimed; whether any part, and if so, what part of said goods, wares, and merchandise has been consumed or used by the owner, owners, or agent, or used for the production of another manufacture or product, together with the market value of the same at the time of such use or consumption; whether such goods, wares, and merchandise were shipped for a foreign port or consigned to auction or commissioned merchants, other than agents, for sale; and shall make a return according to the value at the place of shipment, when shipped for a foreign port, or according to the value at the place of manufacture or production, when removed for use or consumption, or consigned to others than agents of the manufacturer or producer. The value and quantity of the goods, wares, and merchandise required to be stated as aforesaid, shall be estimated by the actual sales made by the manufacturer, or by his, her, or their agent, or person or persons acting in his, her, or their behalf. And where such goods, wares, and merchandise have been removed for consumption or for delivery to others, or placed on shipboard, or are no longer within the custody or control of the manufacturer or his agent, not being in his factory, store, or warehouse, the value shall be estimated at the average of the market value of the like goods, wares, and merchandise at the time when the same became liable to duty. And when goods, wares, and merchandise are sold by the manufacturer or producer, or the agent thereof, having the charge of the business, the following deductions only may be allowed,

First. Freight from the place of manufacture to

the place of delivery.

Second. The reasonable commission not exceeding three per centum, and other expenses of sale bona fide paid; and no commission shall be deducted when the sale is made at the place of manufacture or production: *Provided*, That no deduction shall be made on the market value at the place of manufacture or production, on goods, wares, and merchandise consigned to auction or commission merchants for sale, or placed on shipboard to be removed from the United States, or when consigned to other than agents having charge of the business of such manufacturer or producer, nor when used or consumed by the manufacturer, producer, or agent thereof.

This section was *intended* to avoid the numerous difficulties in fixing the legal deductions: preserving, however, the distinction between commission merchants and "agents," and including within its provisions, the following classes of sales:

1. The shipping of goods to a foreign

2. The consignment of goods to auction houses and commission merchants.

3. Sales made by agent of the manufacturers.

4. Sales made by the manufacturer himself, at the place of production or manufac-

The "value" and "quantity," in all cases was to be estimated, (the use of this word is important and will be discussed hereafter) by actual sales made by the manufacturer, or by his agent; and when removed for consumption, or for delivery to others, or shipped, or out of the control of the manufacturer, not being in his warehouse, etc., the value was to be estimated at the average

⁽¹⁾ Revision, § 75; Law of 1862.

lowed were, "freight from place of manufacture to place of delivery"-"commissions not exceeding three (3) per cent"—"other expenses of sale, bona fide paid;" and no deductions were allowed when the goods, etc., were sold at the "place of manufacture." Then followed the proviso, "that when the goods were consigned for sale, or shipped to be removed from the United States, or when consigned to other than 'agents,' or when used by the manufacturer, no deduction should be made from the market value at the place of manufacture," [not that no deductions above recited should be made, but no deductions from the market value!]

This language was peculiarly unfortunate. As before stated, most of the manufactures of New England (out of Boston, Lowell, Lawrence, Manchester, etc., the principal manufacturers in the last named places, having warehouses, etc., in the great markets) are sold through commission merchants, and the language of the law seemed to allow of no commissions in the very cases, when the goods are sold through commission merchants, but the "commission" was allowed when the goods were sold through agents, who of course were supposed to charge no commission! To remedy this anomaly, it was finally decided by Mr. Commissioner Orton, that commission merchants might be considered as "agents," and vice versa. (Circular 34, August 2, 1865, Emerson's Guide, p. 220, first edition.)

In November, 1865, Mr. Commissioner Rollins authorized the following decision to be promulgated throughout the United States, and it was deemed to be a final rule for the guidance of assessors in their practical construction of this matter of "deductions" under the law of 1864, § 86.

The Excise Law (§ 82 and 86), requires you to render a full account of the quantity and value of your manufactures or productions during each month, as well as the quantity and value of your gross sales; and to state, in separate columns, the items and account of your deductions, if any are claimed; also the amount of your productions, if any, which has been consumed or used by yourselves or agents, or used for the production of other manufacturers, with the market value of the same at the time and place of market value of the same at the time and place of such use or consumption; also whether you have shipped any of your productions to any foreign port and the market value of the same at the place of shipment, whether you have consigned any of your goods to auction or commission merchants other than such as are your regular selling agents, and the value of the goods thus consigned at the place of production. By a recent decision of the Commissioner, it is

held that where you uniformly consign your goods for sale to persons known as commission merchants,

of the market value, when the same became liable to duty.

When sold by the manufacturer or producer, or his "agent," the deductions allowed were "freight from place of manufacturer was a few and the same became but who are in fact your regular selling agents, no return of goods for taxation shall be required, and no tax accrues until the goods are sold by them; and no returns of goods thus sent will be received, based upon estimated value. This rule applies although your may have more than one agents, no returns of goods for taxation shall be required, and no tax accrues until the goods are sold by them; and no tax accrues until the goods are sold by them; and no tax accrues until the goods are sold by them; and no tax accrues until the goods are sold by them; and no tax accrues until the goods are sold by them; and no tax accrues until the goods are sold by them; and no tax accrues until the goods are sold by them; and no tax accrues until the goods are sold by them; and no tax accrues until the goods are sold by them; and upon estimated value. This rule applies although you may have more than one commission merchant who keeps your goods and makes sales for you.

The returns thus made must be verified by oath or

affirmation, and be returned to the assistant assessor

within the first ten days of each month.

The Manufacturer's blank (No. 3) has been prepared by the Department to suit the requirements of the law, and the Commissioner has given positive instructions that no return be received as valid which does not "in all respects conform to the requirements of the printed blank." In cases where the manufacturer refuses or neglects to state the amount produced, or where he neglects to conform to the other requirements, the assistant assessor is authorized to estimate the value of his sales and add authorized to estimate the value of his sales and add the penalty of fifty per cent.; and the party may be subjected to a fine of \$500, and his goods to seizure and forfeiture.

In relation to deductions, great care must be observed; no deductions are allowed upon goods which pay a specific duty, by the ton, pound, &c., but the time of making returns of such goods is regulated by the same rule as applies to goods which pay ad valorem duty. In case of goods which pay an ad valorem duty, after returning the full gross amount of actual sales, the following deductions may be

made:

1st. The full value of your sales must be reported, including the amount claimed as rightful deductions, and the deductions claimed must be specifically stated. If freight, state as nearly as you can to what place;

if interest, at what rate.

2d. When sold by an agent, whether commissioned or salaried, or by your regular commission house effecting your sales, at a place other than the place of production, a reasonable commission, not exceeding three per cent., will be allowed, but no commission can be allowed on sales made at the place of production. 3d. No deduction can be allowed for guarantee,

insurance, or labor necessary to put the goods in a marketable condition, nor can any deduction be made for rent of store, clerk hire, fuel, lights, postage, advertising, taxes, traveling expenses, &c.: (these are supposed to be covered by the commission.)

4th. No deduction should be claimed in any form

of the tax upon any assumed price or sale of the goods by making the tax a separate item, but the tax being included in the cost of the goods like any other item of costs, the law requires the manufac-turer to return all he sells the goods for, including the tax.

No deduction should be made for damages paid, reclamations, breach of warranty, &c., for goods sold in previous months, which proved defective in any way and which have been before taxed; but all such claims being for a reduction of taxes previously assessed on other goods should be made to the Commissioner through the Assessor.

6th. By a recent decision of the Commissioner, the box, barrel, case, bottle, or other enclosure in which goods are packed, may be deducted where it is of itself a distinct manufacture, and has paid a tax. If a manufacturer of cloths, for example, packs them in boxes or wrappers of his own or others' manufacture, which have paid a duty as such, he may deduct the cost of the box from the amount of the deduct the cost of the box from the amount of the sales; but if no duty on such boxes or packages as such has been paid, or they are not taxable, their cost cannot be deducted.

7th. The Manufacturer's blank has a heading under "deductions" of "other expenses." This has in some cases been made an omnibus to carry a variety of charges not made by law. The department has defined the charges which can be allowed

under this head. Legal interest or discount at place of sale where goods are sold on time, special labor of repacking goods after sale, in the wholesale form or wrapper in which they go to market, inspection where the laws of the market require inspection before the goods can be sold, and the box, &c., in which the goods or articles are packed, may be put under this head. But in all these cases the articles head. But in all these cases the articles or items must be specified, so that the assessor can judge from inspection of the return whether the item itself be allowable, and whether the amount is reasonable, and no deductions or expenses should be allowed or claimed unless the same were included in the sale price of the goods.

This notice is given to manufacturers that they may not be taken by surprise, and that each one may be assured that what is required of him will be required of all others, so that no advantage shall be taken of the honest tax-payer by his less scrupulous rival.

The assistant assessors are specially charged that the instructions contained in this circular be strictly and uniformly carried out, and are instructed to strike off any deductions not claimed and entered in conformity with the above regulations, before entering their assessment to the assessor, inasmuch as the assessor has not time between the 15th and 20th of the month, when his lists are returnable to the collector, to obtain corrections of loose or erroneous returns.

Acting under these instructions and enforcing them in all cases when practicable, assessors have for the six months between the date of their publication, and the enactment of the present law, allowed these specifically stated, disallowing all others claimed by the manufacturer. (Many have protested against the disallowance of "other expenses bona fide paid, and the narrow list allowed them, characterizing the circular as a piece of "judicial legislation," and an abrogation of a clear intent of Congress for their relief. They claimed that it never was the purpose of the law to tax the freight, commissions, insurance, guaranty, interest, and other expenses of sale, paid in good faith; but that the term ad valorem was to be construed liberally,—and that they were liable, when goods were sold through commission houses, to return only "the value of the goods at the place of manufacture.")

We now come to the statute of 1866. The provisions on this subject are as

follows:

That section eighty-six be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That any person, firm, com-pany, or corporation, manufacturing or producing goods, wares, and merchandise, sold or removed for consumption or use, upon which taxes are imposed by law, shall, in their return of the value and quantity, render an account of the full amount of actual sales made by the manufacturer, or producer, or agent, thereof, and shall state whether any part, and if so, what part of said goods, wares, and merchandise has been consumed or used by the owner, owners, or agent, or used for the production of a other manufacture or product, together with he arket value of the same at the time of such us or consumption; whether such goods, wares, and merchandise were shipped for a foreign port or consigned to auction or commission merchants, other than agents, for sale; and shall make a return according to the value at the place of shipment, when shipped for a foreign port,

or according to the value at the place of manufacture or production, when removed for use or consumption, or consigned to others than agents of the manufacturer or producer. The value and quantity of the goods, wares, and merchandise required to be stated as aforesaid shall be estimated by the actual sales made by the manufacturer or by his agent. And where such goods, wares, and merchandise have been removed for consumption or for delivery to others, or placed on shipboard, or are no longer within the custody or control of the manufacturer or his agent, not being in his factory, store, or ware-house, the value shall be estimated at the average of the market value of the like goods, wares, and merchandise at the time when the same became liable to

It will be at once noticed that there is a total omission of all enumeration of deductions, (as contained in the law of 1864.)

And the tax is to be assessed in the following independent cases (and the return is to be made accordingly), viz:

I. When the sales are made at the fac-

2. When made otherwise than at the factory by an agent of the manufacturers.

3. When shipped to a foreign port.4. When consigned to auction or com-

mission houses, other than agents.

5. When used by the manufacturer, in his own factory, in another or more complete

production.

(It will be noted that 'the "value and quantity" is to be estimated by actual sales, made by the manufacturer or his agent, and nothing is said about commission houses other than agents; and it is now claimed by the manufacturers that the use of the term "estimated" clearly shows that the amount of actual sales is not to be the basis of the ad valorem tax, but the net sales; and if gross sales was intended to be the basis, the word "estimate" has no meaning or place in the section.)

Or more particularly, it is claimed by the manufacturers, that from the language used by Congress, and the use of the legal rules of construction, they are led to the follow-

ing conclusions, viz:

Their returns for taxation under section 86 of the law as amended, are upon the following basis, with corresponding taxes.

I. When sales are made by the manufacturer at his factory—at the actual price re-

ceived, without deduction.

2 When made away from the factory by the agent—at the actual price for which the agent sells the goods, (his expenses being a charge against the employer or principal, and supposed to be added to the selling price.)

3. When shipped to a foreign port—at

the value at the place of shipment.

4. When sold by a commission house, or a person "other than an agent," or removed for use or consumption—at the value at the place of manufacture or production.

They refer with confidence to the letter of this section 86, as confirming most conclusively this construction of the law; and allege that any other construction, will render a law entitled, "an act to reduce internal taxation" and intended to relieve to some extent the burdens resting upon the manufacturing industry of the country, a law, in fact, which will greatly increase the tax, and make the burden insupportable.

This subject they illustrated by an ex-

"A" is a manufacturer of cassimeres in Northampton. He sends to New York city, to a commission house dealing in that style of goods, ten thousand yards of his goods for sale, upon the ordinary terms, commissions, etc. Now he wishes to realize for his goods, net, nine thousand dollars, or ninety cents per yard. At this net price he can realize a fair price for his goods, pay his revenue tax, and make a reasonable (He would be glad to sell these goods at ninety cents at the factory.) In the course of a month or two, his commission house sell the goods at one dollar per yard, or ten thousand dollars, and render the following account or "sketch of sales" to "A" viz:

"A." in account with A. T. Stewart,	Dr.
To Freight paid on cassimeres,	\$175 00
To Freight paid on cassimeres,	2 90
"Insurance (open policy),	20 00
"Commissions and guaranty, six per	
cent.,	600 00
" Discount for cash,	100 00
•	\$897 90
Sight draft,	9,102 10
By Sales of cassimeres,	\$10,000 00 Cr. \$10,000 00

Two questions now arise, and they lie at

the bottom of this whole matter.

I. Is "A" to return for taxation, to the Northampton assistant assessor, the whole amount, ten thousand dollars, or nine thousand.one hundred and two dollars and ten cents only?

2. If the latter sum, does not he in fact get all the "deductions," and more, allowed by the language and construction of the

former law?

The language of amended section 86 is, "he shall return (for taxation) the value at the place of manufacture or production when consigned to other than agents of the manufacturer." A. T. Stewart is no agent of his. He never before sent him any goods; he may never send him any more goods; he is in every sense "other than an agent,"

and by no forced construction can be made Mr. Stewart sold the goods in his own name, and billed them accordingly, and "A" was not known in the transaction. The assistant assessor tells him he must pay a tax of five hundred dollars, or five per cent. upon ten thonsand dollars. protests, and asks somewhat pertinently, "Why should I pay a tax of eight dollars and seventy-five cents on the freight charged by the Connecticut River Railroad Company? Why should I pay thirty dollars tax on the commissions of A. T. Stewart? Why should I pay fourteen cents tax upon the carman's bill in New York city? Why is not the value of my goods in Northampton, 'the place of manufacture,' viz: what my goods brought less the expenses of sale, the true amount I should be taxed, under the very letter of the law?"

Take another case: - "B" a manufactu-

rer of locomotives in Worcester, receives an order from St. Paul, for a first-class engine to be worth twenty thousand dollars; and this is the price agreed on. Before it is completed, the party making the order, meets "A" in Worcester, and agrees to pay for the engine delivered at St. Paul, in good order, twenty thousand eight hundred What is the taxable and fifty dollars. amount to be returned? The answer which ninety-nine men in a hundred would make is, twenty thousand dollars, the value at the place of manufacture; and this probably is all the assistant assessor would require; but why if "A" in the first case supposed, must pay on his freight, should not "B" be

equally liable!

This is a matter, as is claimed by manufacturers, of no small moment to them. Indeed, upon the answer which may be made by the Department, may depend the question, whether this great interest can continue to pursue a business, realizing heretofore some one hundred million dollars to the treasury, but which in some unforeseen moment, may collapse and be destroyed. Colwell of the Revenue Commission has reported some considerations in connection with this matter, and the duplication of taxes, which were worthy of the attention of Congress; and it is claimed by men of high intelligence who conferred with the committees of both Houses, and listened attentively to the debate, while the new law was passing through both-bodies, that no deductions were specified in the phraseology of section 86, for the sensible reason, that the language would permit sales on commission to be returned "at the value at the place of manufacture," before goods became burdened with freight and other ex-

enses of sale, as unequal as the distances om the markets. But as at present adised, assessors will claim a return for taxaon of gross sales of manufactured goods, nder the law of July 13, 1866, without any eductions of any kind, in case the goods re sold, either by authorized agents, or commission merchants, not agents." Vhen the goods leave the factory congned for sale to such commission merhants, the actual sales, theretofore made, just control the returns for taxation, if not old during the previous month, or if the oods were actually sold, at the gross price or which they were sold, without any deuction; the commission merchant being egarded as an agent, under the decision of commissioner Orton before referred to. 'he matter will be considered in the light f the recommendation of the present Comnissioner of Internal Revenue, in his reort to Congress of December, 1866, upon nis very subject, and is doubtless an anwer to the above recited cavils of manuacturers.

Deductions by Manufacturers under § 86.

"I would suggest the propriety of amending the 5th section, relative to manufacturer's returns, by riking out so much thereof, as relates to deductions. 'he law now authorizes the deduction of freight from ne place of manufacture to the place of delivery. commission not exceeding three per centum (except there sales are made at the place of manufacture), nd other expenses of sale 'bona fide' paid. There re so many peculiarities in the method of manufacare and sale of different classes of merchandise in ifferent parts of the country, that it has been found npossible to define by any precise and specific rules, he deductions allowable 'as other expenses of ales bona fide paid,' while general rules, however, arefully drawn, are liable to such a variety of contruction that too much diversity of practice has preailed where it is but just to the honest manufacturer hat there should be perfect uniformity. Much time s spent by the assessor and assistant assessor in adusting claims for deductions and unfortunate differnces of opinion often arising between them and the nanufacturers which should be avoided.

This diversity of practice has furnished opportu-ity for numberless short returns and a large proporion of the manufacturers who have been detected in raud, have urged 'expenses of sale' either in ex-

enuation or defense.

It is apparently reasonable to allow for freight, as ome manufactories are more remote from the marets than others; but their disadvantage in this repect is perhaps fully compensated by the reduced ost of fuel, labor, rents, and motive power. The leductions are allowed only where the tax is 'ad

The duties upon iron, salt, sugar, molasses, and petroleum, and other articles, the freight of which to narket is no inconsiderable part of their value are all pecific and without deduction. The amendment proposed would of itself alone enhance the burden upon manufacturing; but I believe that a tax of five per centum upon the gross sales of the manufacturers n question is preferable to the present rate with the dlowances."

We are thus forced to conclude that the substantial adoption of the proposed amendment of § 86, and the reduction of the rate of tax (in the case of woolens, still larger,) to correspond, or approximately so, with former "deductions," in accordance with the recommendations of the Commissioner of Internal Revenue, leave the ad valorem tax upon manufactured goods to be assessed upon the actual sales made by the manufacturer, a return of which is to be made to the assistant assessor when effected; and that the only case in which the manufacturer is obliged or is allowed to make an immediate estimate upon the value of his products, is when the goods are used by himself in the production of another manufacture, or when they are removed to be sold at auction, or by commission mer-chants, who have never been or are not recognized as agents of the manufacturer. It will also be remembered that the only "deduction" allowed is such an abatement upon the value of goods "sold on time," as will equal the current interest discounted, or in other words, reduce the goods to cash; and this note is only interesting as illustrating the conflicting views of manufacturers.

It is quite manifest, however, that this § 86 needs thorough revision by Congress, that all doubt may be removed as to the basis upon which manufacturers "ad valorem," should be taxed, and more especially when it may be fixed and returned at "the value at the place of manufacture," and The distinction involves the when not. difference between adding and subtracting freight and all other expenses of sale, or the very deductions once allowed, but now

absolutely disallowed.

NOTE C. (See p. 37.)

§ 94, As amended, in full:

§ 94. And be it further enacted, That upon the articles, goods, wares, and merchandise hereinafter mentioned, except where otherwise provided, which shall be produced and sold, or be manufactured or made and sold, or be consumed or used by the manufacturer or producer thereof, or removed for consumption, or use, or for delivery to others than agents of the manufacturer or producer within the United States or Territories thereof, there shall be assessed, collected, and paid the following taxes, to be paid by the producer or manufacturer thereof, that is to say:

On candles, of whatever material made, a tax of

five per centum ad valorem.

On gas, illuminating, made of coal wholly or in part, or any other material, when the product shall not be above two hundred thousand cubic feet per month, a tax of ten cents per one thousand cubic feet; when the product shall be above two and not exceeding five hundred thousand cubic feet per month, a tax of fifteen cents per one thousand cubic feet; when the product shall be above five hundred thousand and not exceeding five millions of cubic feet per month, a tax of twenty cents per one thousand cubic

feet; when the product shall be above five millions, a tax of twenty-five cents per one thousand cubic feet. And the general average of the monthly product for the year preceding the return required by law shall determine the rate of tax herein imposed. And where any gas-works have not been in operation for the next year preceding the return as aforesaid, then the rate shall be determined by the estimated average of the monthly product; *Provided*, That the product required to be returned by law by any gas company shall be understood to be, in addition to the gas consumed by said company or other party, the product charged in the bills actually rendered by the gas company during the month preceding the return; all gas com-panies whose price is fixed by law are authorized to add the tax herein imposed to the price per thousand feet on gas sold; and all such companies which have heretofore contracted to furnish gas to municipal corporations are, in like manner and for the same period, authorized to add such tax to such contract price; Provided further, that all gas furnished for lighting street lamps or for other purposes, and not measured, and all gas made for and used by any hotel, inn, tavern, and private dwelling-house, shall be subject to tax, whatever the amount of product, and may be estimated; and if the returns in any case shall be understated or underestimated, it shall be the duty of the assistant assessor of the district to increase the same as he shall deem just and proper: And provided further, That gas companies located within the corporate limits of any city or town, whether in the same district or otherwise, or so located as to compete with each other, shall pay the rate of tax imposed by law upon the company having the largest production: And provided further, That coal tar and ammoniacal liquor produced in the manufacture of illuminating gas, and the products of the re-dis-tillation of coal tar, and the products of the manu-facture of ammoniacal liquor thus produced shall be exempt from tax.

On illuminating, lubricating, or other mineral oils, marking not less than thirty-six nor more than fifty-nine degrees Baume's hydrometer, the product of the distillation, re-distillation, or refining of crude petro-leum, twenty cents per gallon; and all such oils between the specific gravity, by Baume's test, of thirty-six and fifty-nine degrees, inclusive, shall be deemed refined illuminating oil; and any person or persons who, for the purpose of sale or consumption, shall mix any of the the heavier paraffine oils with such illuminating oils, or with naphtha, or either one with the other, shall be deemed manufacturers of illumi-nating oil, and taxed as such; and said oil thus mixed, either with or without further distillation, shall be subject to a tax of twenty cents per gallon if, after said mixing or distillation, the product marks, by Baumes' hydrometer, between said points of thirtysix and fifty-nine degrees, inclusive.

On illuminating, lubricating, or other mineral oils, marking not less than thirty-six nor more than fiftynine degrees Baume's hydrometer, the exclusive product of the refining of crude oil produced by a single distillation of coal, shale, asphaltum, peat, or other bituminous substances, not otherwise provided

for, ten cents per gallon.
On oil, naphtha, benzine, benzole, or gasoline, marking more than fifty-nine degrees Baume's hydrometer, the product of the distillation, re-distillation, or re-fining of crude petroleum, or of crude oil produced by a single distillation of coal, shale, peat, asphaltum, or other bituminous substances, a tax of ten cents per gallon: *Provided*, That distillers and refiners of illuminating, lubricating, or other mineral oil, naphtha, benzine, benzine, or gasoline, shall be subject to all the provisions of law applicable to distillers of spirits, with regard to special taxes, bonds, returns, assessments, removing to and withdrawing from warehouses, liens, penalties, forfeitures drawbacks, and all other provisions designed for the purpose of ascertaining the quan-

tity distilled, and securing the payment of taxes, so fa as the same may, in the judgment of the Commissione of Internal Revenue and under regulations prescribe by him, be deemed necessary for that purpose: And provided further, That distillers and refiners of coa or mineral oil, whose product shall not exceed twenty five barrels per day, on a monthly average, shall no be required to make returns oftener than once it thirty days

On spirits of turpentine, ten cents per gallon.
On coffee, roasted or ground, on all ground spices and dry mustard, and upon all articles intended for use as substitutes for or as adulterations of coffee, spices, or mustard, and upon all compounds and mix tures prepared for sale, or intended for use and sale as coffee, spices, or mustard, or as substitutes therefor, one cent per pound: *Provided*, That the exemption of one thousand dollars in annual value of product maufactured shall not apply to any of the above-specified articles mentioned in this paragraph.

On all sugars produced from the sugar cane, and

not from sorghum or imphee, other than those produced by the refiner, a tax of one cent per pound.

On refined sugars, and on the products of sugar refineries, not including syrup or molasses, a tax of two per centum ad valorem: *Provided*, That every person shall be regarded as a sugar refiner, and pay the taxes required by law, whose business it is to adthe taxes required by law, whose business it is to advance the quality and value of sugar by melting and recrystallization or by liquoring, claying, or other washing process, or by any other chemical or mechanical means, or who shall, by boiling or other process, extract sugar from or advance the quality or value of molasses, concentrated molasses, or melado. On sugar candy and all confectionery made wholly

or in part of sugar, valued at not exceeding twenty cents per pound, including the tax, a tax of two cents per pound; exceeding twenty and not exceeding forty cents per pound, including the tax, a tax of four cents per pound; when exceeding forty cents per pound, including the tax, or sold by the box, package, or otherwise than by the pound, a tax of ten per centuminal releases centum ad valorem.

On chocolate and cocoa prepared, a tax of one and a half cent per pound.

On gun cotton, a tax of five per centum ad valorem. On gunpowder, canister powder, five cents per pound; sporting powder in kegs, one cent per pound; blasting powder, in kegs or casks, one-half cent per pound.

On pins, solid head or other, a tax of five per centum ad valorem.

On photographs, ambrotypes, daguerreotypes, or other pictures taken by the action of light, and not hereinafter exempted from tax, a tax of five per centum ad valorem.

On screws, commonly called wood screws, a tax of five per centum ad valorem.

On clocks and timepieces, and on clock movements, when sold without being cased, a tax of five per centum advalorem.

On all soaps valued at above three cents per pound, not perfumed, and on salt water soap made of cocoa-nut oil, a tax of five mills per pound.

On all perfumed soaps, a tax of three cents per

On all uncompounded chemical productions not otherwise provided for, a tax of five percentum ac

On essential oils of all descriptions, a tax of five per

centum ad valorem.

On all furniture, or other articles made of wood sold in the rough or unfinished, not otherwise provided for, a tax of five per centum ad valorem: Provided, That all furniture, or other articles made of wood, previously assessed, and a tax paid thereon, wood, previously assessed, and a tax paid thereon, shall be assessed a tax of five per centum ad valorem upon the increased value only thereof when sold in a finished condition.

On scales a tax of three per centum ad valorem. On tin ware of all descriptions, not otherwise pro-

vided for, a tax of five per centum ad valorem.

On all iron, not otherwise provided for, advanced beyond muckbar, blooms, slabs, or loops, and not advanced beyond bars, and band, hoop, and sheetiron not thinner than number eighteen wire-gauge, and plate iron not less than one-eighth of an inch in thickness, a tax of three dollars per ton: Provided, That a ton shall, for all the purposes of this act, be deemed and taken to be two thousand pounds.

On band, hoop, and sheet iron, thinner than number eighteen wire-gauge, plate iron less than one-eighth of an inch in thickness, and cut nails and spikes, not including nails, tacks, brads, or finishing nails, usually put up and sold in papers, whether in papers or otherwise, a tax of five dollars per ton: Provided, That rods, bands, hoops, sheets, plates, spikes, and nails, not including such as are usually put up in papers as before mentioned, manufactured from iron upon which the tax of three dollars has been levied and paid, shall be subject only to a tax of two dollars per ton in addition thereto, anything in this act to the contrary notwithstanding.

On stoves, and hollow ware in all conditions, whether rough, tinned, or enamelled, and castings of iron, not otherwise provided for, a tax of three dol-

lars per ton.

On tubes made of wrought iron, a tax of five dol-

lars per ton.

On steam, locomotive, and marine engines, including the boilers, and on railroad cars, a tax of five per centum ad valorem: *Provided*, That when the boilers, tubes, wheels, tires, axles, bells, shafts, cranks, wrists, or head-lights of such engines or cars shall have been once assessed, and a tax previously paid thereon, the amount so paid shall be deducted from the taxes on the finished engine or cars.

On boilers of all kinds, water tanks, sugar tanks, oil stills, sewing machines, lathes, tools, planes, planing machines, shafting, and gearing, a tax of five

per centum ad valorem.

On railings, gates, fences, furniture, and statuary

made of iron, a tax of five per centum ad valorem.

On copper and brass tubes, nails, or rivets, sheet lead, and lead pipes and shot, a tax of five per centum ad valorem.

On goat, calf, kid, sheep, horse, hog, and dog skins, tanned or dressed in the rough, a tax of five per

centum ad valorem.

On goat, calf, kid, sheep, horse, hog, and dog skins, curried or finished, a tax of five per centum ad valorem: *Provided*: That all goat, calf, kid, sheep, horse, hog, and dog skins upon which duties or taxes have been actually paid, shall be assessed on the increased value only when curried or finished.

On patent, enamelled, and japanned leather and

skins of every description, a tax of five per centum ad valorem: *Provided*, That when a tax or duty has been paid on the leather in the rough, the tax shall be assessed and paid only on the increased value.

On oil-dressed leather, a tax of five per centum ad

valorem.

On leather of all descriptions, tanned or partially tanned, in the rough, a tax of five per centum ad va-

On leather of all descriptions, curried or finished, a tax of five per centum ad valorem: Provided, That all leather in the rough upon which duties or taxes have been actually paid, shall be assessed on the increased value only when curried or finished.

On leather of all descriptions, and goat, deer, calf,

kid, sheep, horse, hog, and dog skins, tanned or partially tanned, curried, finished, or in the rough, two

and one-half per centum ad valorem.

On all liquors known or denominated as wine, not made from grapes, currants, rhubarb, or berries, produced by being rectified or mixed with other spirits, or into which any matter whatever may be infused, to

be sold as wine, or by any other name, and not otherwise provided for in this act, a tax of fifty cents per gallon: Provided, That the return, assessment, collection, and the time of collection of the taxes on such wines shall be subject to the regulations of the Commissioner of Internal Revenue. And any person who shall willingly and knowingly sell or offer for sale any such wine made after the passage of this act, upon which the tax herein imposed has not been paid, or which has been fraudulently evaded, shall, upon conviction thereof, be subject to a fine of five hundred dollars, or to imprisonment not exceeding two years, at the discretion of the court.

On manufactures of wool, or of which wool is the chief component material, or the component material of chief value, two and a half per centum ad

yalorem.

On cloth and all textile or knitted or felted articles or fabrics of cotton, or other materials, before the same has been dyed, printed, or bleached, and on all cloth painted, enamelled, shirred, tarred, varnished, or oiled, a tax of five per centum, ad valorem.
On thread a tax of five per centum ad valorem,

On articles of clothing manufactured or produced for sale by weaving, knitting, or felting; on articles manufactured or produced for sale as constituent parts of clothing, or for trimming or ornamenting the same, and on articles of wearing apparel manufactured or produced for sale from india-rubber, gutta-percha, or from fur, or fur skins dressed with the fur on, a tax of five per centum ad valorem: Provided, That on all articles made of fur, the value of which shall not exceed twenty dollars, a tax of two per centum only shall be paid.

On boots, shoes, and shoestrings, a tax of two percentum ad valorem, to be paid by every person making, manufacturing, or producing for sale boots or shoes, or furnishing the materials or any part thereof, and employing others to make, manufacture, or produce them: Provided, That any boot or shoe-maker making boots or shoes to order as custom work only, and not for general sale, and whose work, exclusive of the materials, does not exceed annually in value one thousand dollars, shall be exempt from this tax.

On clothing, gloves, mittens, moccasins, caps, felt hats, and other articles of dress for the wear of men, women, and children, not otherwise assessed and taxed, a tax of two per centum ad valorem, to be paid by every person making, manufacturing, or producing for sale clothing, gloves, mittens, moccasins, caps, felt hats, and other articles of dress, or furnishing the materials or any part thereof, and employing others to make, manufacture, or produce them: Pro-vided, That any tailor, or any maker of gloves, mittens, moccasins, caps, felt hats, or other articles of dress to order as custom work only, and not for general sale, and whose work, exclusive of the materials, does not exceed annually in value one thousand dollars, shall be exempt from this tax; and articles of dress made or trimmed by milliners or dress-makers for the wear of women and children shall also be exempt from this tax: Provided, That the branching into sprays, branches, or wreaths of artificial flowers, on which an impost or internal tax has already been paid, shall not be considered a manufacture within the meaning of this act.

On boots and shoes, made wholly or in part of

india-rubber, two per centum ad valorem.

On hats, caps, bonnets, and hoods of all descriptions, two per centum ad valorem.

On hoop-skirts, two per centum ad valorem. On manufactures exclusively of glass, other than window glass, three per centum ad valorem.

On paper not otherwise herein provided for, a tax

of three per centum ad valorem.

On all manufactures not otherwise provided for, of cotton, silk, worsted, hemp, india-rubber, gutta-percha, wood, leather, paper, iron, steel, lead, tin, copper, zinc, brass, gold, silver, horn, ivory, bone,

bristles, wholly or in part, or of other materials, a tax of five per centum ad valorem: Provided, That on all cloths or articles dyed, printed, or bleached, on which a tax or duty shall have been paid before the same were so dyed, printed, or bleached, the said tax of five per centum shall be assessed only upon the increased value thereof: And provided further, That any cloth or fabrics or articles as aforesaid, when made of thread, yarn, or warps, imported, or upon which an internal tax shall have been assessed and paid, shall be assessed and pay a tax on the increased value only thereof; and when made wholly by the same manufacturer, shall be subject to a tax only of five per centum ad valorem; but no tax shall be imposed upon the redyeing or reprinting of cloths or other articles.

On all diamonds, emeralds, precious stones and imitations thereof, and all other jewelry, a tax of five per centum ad valorem: Provided, That when diamonds, emeralds, precious stones, or imitations thereof, imported from foreign countries, and upon which import duties have been paid, shall be set or reset in gold or any other material, the tax shall be assessed and paid only upon the value of the settings

On bullion in lump, ingot, bar, or otherwise, a tax of one-half of one per centum ad valorem, to be paid by the assayer of the same, who shall stamp the product of the assay as the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, may prescribe by general regulations. all sales, transfers, exchanges, transportation, and exportation of gold or silver assayed at any mint of the United States, or by any private assayer, unless stamped as prescribed by general regulations, as aforesaid, are hereby declared unlawful; and every person or corporation who shall sell, transfer, transport, exchange, export, or deal in the same, shall be subject to a penalty of one thousand dollars for each offence, and to a fine not exceeding that sum, and to imprisonment for a term not exceeding two years nor less than six months. No jeweler, worker, artificer in gold or silver shall use either of those metals except it shall have first been stamped as aforesaid, as required by this act. No person or corporation shall export or cause to be exported from the United States any gold or silver in its natural state, not coined, assayed, or stamped, as aforesaid; and for every violation of this paragraph every offender shall be subject

to the penalties herein provided: Provided, That nothing herein contained shall apply to the reworking of old gold or silver in lump, ingot, or bar, as afore-

On snuff, manufactured of tobacco or any substitute for tobacco, ground, dry, or damp, pickled, scented, or otherwise, of all descriptions, when prepared for use, a tax of forty cents per pound.

On cavendish, plug, twist, and all other kinds of manufactured tobacco, not herein otherwise provided for, a tax of forty cents per pound.

On tobacco twisted by hand, or reduced from leaf into a condition to be consumed without the use of any machine or instrument, and without being pressed, sweetened, or otherwise prepared, and on fine-cut shorts, a tax of thirty cents per pound.

On fine cut chewing tobacco, whether manufactured with the stems in or not, or however sold, whether loose, in bulk, or in rolls, packages, papers, wrappers,

or boxes, a tax of forty cents per pound.
On smoking tobacco, sweetened, stemmed, or but-

ted, a tax of forty cents per pound.
On smoking tobacco of all kinds, not sweetend, nor stemmed, nor butted, including that made of stems,

or in part of stems, and imitations thereof, a tax of fifteen cents per pound.

On cigarettes, cigars, and cheroots of all descriptions, made of tobacco, or any substitute therefor, five dollars per thousand, and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe such regulations for the inspection and valuation of cigars, cheroots, and cigarettes, and the collection of the tax thereon, as shall, in his judgment, be most effective for the prevention of inequalities and frauds in the payment of such tax. And, in addition to other regulations, it shall be the duty of the inspector or assessor who appraises any cigars, cigarettes, or cheroots, to examine the manufacturer thereof or his agent under oath, which oath shall be administered by the inspecting and appraising officer, and reduced to writing, and signed by such manufacturer or his agent, with a view to ascertaining whether such manufacturer has any interest, direct or indirect, in any sale that has been made, or any resale to be made of said cigars, cigarettes, or cheroots, by the concealment of which he seeks to obtain a false, fraudulent, or deceptive appraisement.

INDEX.

PA	CE.	FA	CILL.
ABATEMENT of taxes by commissioner,	64	APOTHECARIES, not liable to special tax	
ACCEPTORS of foreign bills of exchange	•	when their gross receipts do not	
	r 17	• "	25
to stamp them in the United States,	5/		35
Accounts, commissioner to render			35
monthly, of receipts and outlays, -	5	APPLE-PARING MACHINES exempt, -	43
Distillers to render tri-monthly, -	22		II
Assessors may command the produc-			II
	-		
tion of books of,	7	O, .	II
March 3, 1797, as to disbursing offi-		Not to be allowed after list trans-	
cers, etc., and United States debt-		mitted to collector,	II.
ors, first seven sections adopted, -	64	Assessment not to be increased on,	
ADDITIONS to surplus and contingent			ΙI
	-6		11
funds in banks, etc., subject to tax,	10	Witnesses may be summoned on hear-	
ADMINISTRATORS, exempt from special		ing of,	II
tax as auctioneers,	32 .	ARCHITECTS and civil engineers—defi-	
Their duties as to legacy tax—penalty		nition of terms—special tax on, -	34
	70	A practical carpenter who labors on a	JŢ
for neglect, fraud, etc.,	50		9.
Their duties as to succession tax,	52		34
Advertisements exempt,	50	ARMS for personal use exempt from dis-	
AIDING and abetting the illegal removal		traint,	34
of spirits, penalty,	21	ARTICLES manufactured in institutions	٠.
AGENTS, revenue, appointment, compen-	-	for the blind, deaf, and dumb, and	
sation, and duties of,	9		42
AGGREGATE statements of lists,	ΙI	Exempted must answer their descrip-	
ALCOHOL, made of spirits or materials		tions—manufacturers from such not	
	42	exempt, nor articles in any other	
4 /0 5	-		46
	24	form,	46
ALIENS, residing in the United States		Assayers, definition of term, special	
liable to income tax,	14	tax on,	35
Residing without the United States,		Assessment Districts, subdivisions	
but carrying on business, etc., within		of collection districts,	6
.1 77 1 1 0	T.4	How and by whom formed, -	6
	14		
	16	May be changed when necessary,	6
ALPHABETICAL list to be made out by		Each to have one or more assistant	
assistant assessors,	10	assessors, who must be residents	
ALUM, aluminum, aluminous cake, pa-		thereof,	6
	42	Assessors, one for each collection dis-	Ĭ
			6
	42	trict, and a resident thereof,	6
ANIMAL CHARCOAL exempt,	42	How nominated and appointed, -	6
ANNUAL TAX, when and how as-		Each to divide his district into assess-	
sessed, 10, 13,	14	ment districts,	6
Anvils exempt,	42	By whom succeeded in case of va-	
APOTHECARIES, definition of term,	1	•	6
	0.0	Cancy,	
special tax on,	33	Salary \$1,500, payable quarterly,	6
May sell alcohol and other spirits to		Additional compensation, as percent-	
a limited extent under said tax,	33	age on receipts, allowed,	6
When manufacturers and when not, -		No assessor's salary to exceed \$4,000,	6
	11	μ4,000,	Ĭ.

PAC	GE.	D.A.	CT
Office rent, clerk-hire, postage and		To make list of owners and value of	GE.
stationery allowed,	6	property,	Q
Secretary of the Treasury may fix ad-		May enter brewery, distillery, etc.,	8
ditional rates of compensation up		To make return in case of failure of	0
to \$5,000 in the Southern States,			0
Territories, etc.,	6		8
How their commissions from taxes	U	May be designated to make assess-	
on spirits, cotton, etc., are regulated,	6=	ments upon specified objects of tax-	
To receive no payment without a cer-	0/	ation in any part of the district,	II
		AUCTIONEERS, license of,	32
tain certificate from the commis-		To pay tax on sales, -	46
sioner,	7	To make returns monthly, -	47
To possess the franking privilege to		Auction Sales, duty on,	46
a limited extent,	7		
Punishment for violating the law by		B (SCHEDULE.)—Alphabetical list of	
neglect, fraud, oppression, etc.,	7	documents, etc., requiring stamps,	59
Appointing their assistants for a con-			48
sideration, etc.,	7	Average amount of deposits, duty on,	
To send out their assistants on the first		Capital, duty on,	48
Monday in March,	7	Dividends and addition to surplus,	70
To give notice by newspaper adver-		-l4	48
tisements, etc., etc., of time and		Profits, duty on, 48,	
place for hearing appeals, - 7,	TT	And bankers to make return of capi-	49
To hear and determine the same in a	• •		48
	TT	Proceedings in case of neglect,	48
summary way, 7,	11.		48
May summon witnesses within the		National or state, tax on bills of state	
state, and call for books, etc., under	_	banks,	49
penalty,	7	National, exempt from duty on depos-	
To make other lists from time to time,	II	its,	49
To make a separate list of property		Duty on average amount of capital	
having no visible owner,	II		48
Reciprocal duties when property and		Capital of, consisting in United States	
owner are in different districts,	II	securities, exempt, -	48
To furnish the collectors with certified		Duty on amount of circulation beyond	
copies of collection lists,	II	the average, 48,	49
May correct errors and supply omis-		Return of amount of notes, etc., issued	
sions during fifteen months, -	II	to be made to assessors,	49
Penalty for demanding or receiving		State, converted into national, capital	
any part of assistants' compensa-		thereof assumed to be as before con-	
tion,	6	version, -	49
Assistants' bills wrongly approved to		Circulation thereof free of taxation,	• •
be deducted from pay of, - ' -	7	when reduced to amount not ex-	
SSISTANT ASSESSORS, appointment, of,	7	11 C	49
Settlement of accounts of	7	To pay tax of ten per cent. on notes	77
To make list for persons disclosing, -	7	of state banks or municipal corpo-	
To keep record of permits granted, -	7		49
To leave notice for absent party,	7		28
To make list of property of non-resi-	/	BANKERS, special tax on,	28
dent,	>7		20
	7	Not required to pay special tax as	20
To make alphabetical lists of residents	-	brokers,	29 28
dents and non-residents,	7.	Definition of,	
Penalty for neglect, fraud, or extortion,	7	BARRELS, exempt,	42
Compensation of,	_. 7		44
Additional compensation in certain		BEER, lager-beer, etc, taxed \$1 per bar-	1
states, etc.,	7	rel, (of thirty-one gallons or less,)	
To be allowed for stationery, etc.,	7	BEESWAX, crude or unrefined, exempt,	42
To make out accounts monthly,	7	BETTERMENTS not allowed for in returns	
May appeal to Commissioner,	7	of income,	15
Bills to be approved by assessor, and		BICHROMATE OF POTASH, exempt, -	42
paid by collector,	7	BILLIARD-ROOMS and bowling alleys,	
To proceed through respective dis-		proprietors to pay \$10 special tax	
tricts,	8	on each table and alley, -	34
		** 107×	

PAGE	PAGE.
BILLIARD TABLES, kept for use taxed	CANALS AND CANAL-BOATS, how taxed
\$10 per annum, 14	on gross receipts when transporting
Kept for hire, under special tax, to pay	passengers, etc., 41
no other, 14	
BLEACHING POWDERS, exempt,42	of, 54
BLUE VITRIOL, exempt, 42	CANDLES, taxed five per cent. ad va-
Boards, shingles, exempt, 42	lorem, 37
Boilers, tanks, oil stills, etc., taxed five	Wicking of, exempt, 42
per cent. ad valorem, 37	
BONDED WAREHOUSES. (See Appendix.)	CANNED AND PRESERVED VEGETABLES,
Bone Dust, exempt, 42	exempt, 45
BOOKS of account to be kept by distillers,	CARBOLIC ACID and carbolate of lime
brewers, etc., - 21, 22	exempt when used as disinfectants, 45
Boots, shoes, and shostrings, taxed two	CARPETING, tax on, 37
per cent., 37	CARPET BAG and caba frames exempt, 45
Borax and boracic acid, exempt, - 42	CARRIAGES, tax on, 37
Bowling Alleys, 34	Kept for use and hire, how taxed, - 14
Brandy, made from grapes, tax on, - 37	CASKS exempt, 45
Brass, in a certain state, exempt, - 42	
Brewers, to pay \$50 or \$100 special tax	exempt, when, 45
—definition of term, 31	CAST-IRON hollow ware exempt, - 45
And report monthly, 24	CATTLE BROKERS, special tax on—defi-
May remove beer without stamps, - 24	
Name and place to be on every vessel, 24	CEMENT, made wholly or in part from
Their clerks to verify their book en-	
tries, 24	C
Their liabilities for fraud in those re-	treasury to be regarded as payment
BRICK, fire-brick, etc., 42	0 1 1 1 1 1 1 1
BRIDGES, tax on gross receipts of toll-	
bridges, 41	CHEMICAL PRODUCTIONS of a certain
BRISTLES, exempt, 42	class, how taxed, 37
Brokers to pay \$50 special tax—defi-	CHOCOLATE and cocoa prepared, taxed
nition of term, 30	$\frac{1\frac{1}{2}}{2}$ cents per pound, 37
One cent for every \$100 on sales of	
bullion, securities, etc., - 47	CHURNS exempt, 45
Five times as much on such sales	CIGARS, cigarettes, and cheroots, how
when paying no special tax, -47	taxed, 25-37
Brooms of corn, brush, or palm-leaf,	Makers to have permit—penalty oth-
exempt, 42 BRUSHES, tax on, 37 BRUSH-BLOCKS exempt, 45 BRUSH-BLOCKS exempt,	erwise, 25
Brushes, tax on,	Proceedings for forfeiture and sale, - 25
BRUSH-BLOCKS exempt, - 45	Penalty for not destroying stamps on
Builders and contractors, tax on, - 34	empty boxes, 25 (See Tobacco), 25
10 pay \$10 special tax—definition of	(See Tobacco), 25
term, 34	CIRCUSES, proprietors of, to pay \$100 special tax in each state, - 34
buildings, new, no allowance for, in re-	special tax in each state, 34
turns of income,	And two per cent, on gross receipts at
BUILDING STONE, of all kinds, exempt, 42	CIVIL ENGINEERS, - 34
DULLION tax on, - 27	CLAIM AGENTS, special tax on—defini-
DUNTING, and Danners of, made in the	tion of term, not liable as convey-
United States, and United States	ancers, 31
mags, exempt, 42	CLAIMS OF SOLDIERS exempt from
DURNING FLUID, 42	CLAIMS OF SOLDIERS exempt from stamp tax, 55 CLERKS OF ASSESSORS, how paid, - 6
DURRSTONES, etc., etc., rough of wrought,	CLERKS OF ASSESSORS, how paid, - 6
- A2	CLOCKS and time-pieces, and uncased
DUTCHERS, Special tax on, definition of	clock movements taxed five per
term, 33	cent. ad valorem, 37
Not liable as retail dealers, 33	cent. ad valorem, 37 CLOCK TRIMMINGS exempt, 45 CLOTH of certain rough or unfinished
when exempt from special tax, - 33	CLOTH of certain rough or unfinished
Additional tax on sales over \$25,000, 33	kinds, how taxed, 37
BUTTER, cheese, exempt, 42	kinds, how taxed, 37 CLOTHING, articles of, how taxed, - 37

GE.	PAGE	₹.
45	COLLECTORS, bond to be available to	
	heirs, of collector, etc., -	8
37	COMMERCIAL BROKERS to pay \$20 spe-	
		0
31		
		5
28		_
_		5
35		٠,
15		5
		3
		E
		3
		5
- /		9
8		
	- ·	5
8		5
8	To have charge of all real estate, etc.,	5
9	To sell or otherwise dispose of the	1
-	same,	5
12	Authorized to pay out appropriation	
8	for detecting frauds, 6	7
9		
9		
		33
9	Confectioners to pay \$10 special tax 3	, I
	c	
		31
		, Q
9		50
0	definition of term	10
	Tawvers and claim agents not liable	32
		22
9		32
0		13
9		IJ
^	ad valorem 3	38
9	Copper bottoms for articles in domes-	
0	tic use, exempt,	45
	Cotton, tax of three cents, 3	38
8	Tax 21 cents per pound on and after	
	September 1, 1867, 3	38
	Bales, etc., to be marked by collector	
Q	on payment of tax,	38
	Bonds to be given on removal prior	
	to payment.	38
9	Book of records to be kept by manu-	_
	facturer, and how, -	38
	Collector or deputy to take charge of	_0
12	cotton transported,	30
	Commissioner to fix regulations for	
	Commissioner to fix regulations for removing,	
8 8 8	Commissioner to fix regulations for removing, Commissioner to carry out these pro-	38
8 8 8 8	Commissioner to fix regulations for removing,	38 38 38
8 8 8	Commissioner to fix regulations for removing, Commissioner to carry out these pro-	38 38
	45 37 31 38 35 45 43 88 88 88 9 12 89 9	45 COLLECTORS, bond to be available to heirs, of collector, etc., 37 COMMERCIAL BROKERS to pay \$20 special tax—definition of term, 38 COMMISSIONER OF INTERNAL REVENUE—his office belongs to the Treasury Department, 39 Charged under Secretary with the preparation of regulations, etc., 30 And all other matters pertaining to assessment, 41 And collection of internal revenue, 42 His duty to pay over daily and render accounts monthly, 43 Fifth Auditor and First Comptroller to pass upon them, 44 Moneys heretofore paid to Commissioner to be hereafter paid into the treasury, 45 His salary \$6,000, 46 To have charge of all real estate, etc., 47 To sell or otherwise dispose of the same, 48 Authorized to pay out appropriation for detecting frauds, 49 CONCERTS and other public exhibitions, taxed two per cent. on gross recipts occasional, exempt, 40 CONFECTIONERS to pay \$10 special tax wholesale and retail dealers not confectioners, 41 CONFECTIONERS, sugar, and sugar candy, how taxed, 42 CONVEYANCERS to pay \$10 special tax, definition of term, 43 Lawyers and claim agents not liable as, 44 CONVEYANCERS to pay \$10 special tax, definition of term, 45 Lawyers and claim agents not liable as, 46 COPPER, in certain conditions, and copperas, exempt, 47 And brass tubes taxed five per cent. 48 ad valorem, 49 Copper bottoms for articles in domestic use, exempt, 40 COTTON, tax of three cents, 41 Tax 29 cents per pound on and after September 1, 1867, 41 Bales, etc., to be marked by collector on payment of tax, 42 Bonds to be given on removal prior to payment, 43 Book of records to be kept by manufacturer, and how, 44 Collector or deputy to take charge of

- PA	GE.	PA	GE.
COTTON, common carriers, etc., penalty	. J.J,	DISTILLATION, how assessed when not	
on, for transporting cotton without		removed to bonded warehouse, 22,	22
the proper marks, -	38	Similar provisions applied to the re-	-5
District where produced there tay to	30	moving of refined oils as well as	
District where produced, there tax to	28		24
be paid,	38	spirits,	24
Drawback, none allowed when ex-	O	Adulterating to raise a fictitious proof,	24
ported raw,	38	Rectifiers and wholesale spirit dealers	
Counsel, when collectors, etc., may em-			22
ploy,	9	Liable to seizure and forfeiture, when	
His fees not allowed if employed		sold for less than tax,	23
otherwise, -	9	Brands on empty casks and barrels	
CRATES and grain or farm baskets made			25
	43	Forfeited, not to be sold for less than	
	43		23
Custom-house Brokers to pay \$10	73	state care care at the first transfer care at th	23
	20	DISTILLERS, special tax on—definition	-3
	30		22
CUTLERY tax on,	39		23
		Of apples, peaches, or grapes, a less	
DEALERS. (See Retail and Wholesale,)	29	special tax, -	30
DEER-SKINS, smoked, or not oil-dressed,	,	Druggists and chemists not distillers	
exempt,	43		30
DENTISTS to pay \$10 special tax,	34		12
DEPUTY COMMISSIONER to take the place		To be made by collector, or his deputy,	12
of Commissioner, etc.,	6	Notice to be given before sale, -	12
	39		12
DISTILLATION: tax, \$2 per proof gallon,			12
	20	Disposition of surplus when property	
Proof spirits defined — Secretary to		is sold, 12,	Т2
	20	Property may be purchased for the	13
	20	United States	т 2
		United States, 12,	13
	20	Proceedings when property is not di-	
	20		13
Notice and bond, first of all—partic-		Real estate may be seized when no	
	20	goods are found, - 12,	13
Every other business forbidden at dis-		Notice of sale of real estate, 12,	13
tillery—making or setting up stills,		Proceedings on sale, 12,	13
boilers, etc., permit, penalty, etc., -	20	May be made on lands not in the	
Daily book entries and verified re-			13
turns therefrom,	20	Record of sales to be kept	13
Cisterns to be built, and how—when		DISTRICT, of estate to be the district for	
emptied, 20,	2 T		
Bonded warehouses, (special,) how		assessing succession tax, Doors exempt,	45
constituted—bonds, etc., -	2 T	DRAWBACK of internal duty, when the	TJ
Bonded warehouses for oil or spirits,		article on which the duty has been	60
duty to be paid before removal,	21	paid is exported,	65
General inspectors of spirits, how ap-		How paid, smallest drawback allowed, \$10, -	
pointed and paid—penalty for ob-		\$10, -	65
structing inspectors, etc., - 21,		Articles upon which no drawback is	
Duties of inspectors particularized—		allowed,	65
frauds by means of inspection		Limitation of certain claims for -	65
marks, brands, or plates,		What allowed on cotton fabrics, -	65
Distillers to afford every facility for			47
inspection	21	EARTHEN-WARE, exempt,	45
Penalty for removing distilled spirits		EATING-HOUSES taxed \$10 per annum,	TJ
fraudulently,		term defined,	2 T
Removal from one bonded warehouse	I	Keepers of, not liable as confectioners	21
		or tobacconists	2 =
to another, or for exportation, re-		or tobacconists,	21
distillation, etc., without payment		EXEMPT FROM TAX, all the articles and	
of tax, allowed—conditions, etc.—		productions catalogued on pages, 42,	40
certain manufactures in bond al-		Expenses of Business may be deducted	
lowed, free of tax, 22,	23	from income,	15

PAGE.	PAGE.
EXPRESS CARRIERS and agents, special	GIFT ENTERPRISES, special tax on, \$150,
tax of, 35	definition, 34
To pay three per cent. on gross receipts, 41	This tax in addition to others, - 34
3	GLASS, tax on, 39
FEATHER BEDS, mattresses, palliasses,	GLUE, gelatine, exempt, 45
bolsters, and pillows, exempt, - 43	GOLD FOIL and gold leaf, exempt, - 43
FERMENTED LIQUORS, - 24, 39	GOLD WATCHES taxed \$1 or \$2 ad
Tax \$1 per barrel, fractions of a bar-	valorem, 14
rel, 24, 25	GRINDERS and roasters of coffee or
Notice before commencing to be filed,	spices, to pay \$100 special tax, - 35
particulars to be stated therein, 24, 25	GROSS RECEIPTS of railroads, ships, ca-
Books, accounts, entries, and re-	nals, stage-coaches, etc., 47
Verification of books by clerk and	Ferry-boats, and bridges, - 47
Verification of books by clerk and	When \$1,000 or less from these
owner, 24, 25	sources, exempt, 47
Stamps to be furnished and used, 24, 25	From express business, three per cent, 47
Mode of using them, under pen-	Insurance business, $1\frac{1}{2}$ of one per cent, 47
alty, 24, 25	Telegraph companies, three per cent, 48
Name and address of brewer on	Theaters, circuses, museums, etc.,
every vessel, - 24, 25	two per cent, 48
Fraud in any way, refusal or neg-	Gun Cotton taxed five per cent. ad
lect, 24, 25	valorem, 39
Stamp provisions violated in respect	Gunpowder, how taxed, 39
to sale or removal. Removal to	GUTTA-PERCHA articles of clothing taxed
certain warehouses for storage al-	five per cent. ad valorem, :39
lowed. Soured or damaged, how	The same of the sa
disposed of, 24, 25	HATS caps, bonnets, etc., taxed two per
Penalty for removing the stamps, 24, 25	cent. ad valorem, 39
Bottling the liquor from unstamped	HANDLES for saws and buck-saws, ex-
vessels, 24, 25	empt, 45
FERRY-BOATS taking toll taxed on gross	HAY-FORKS, exempt, 45
receipts, 4L	
FERTILIZERS of all kinds, exempt, - 43	Looms, exempt, 46
FIRE-ARMS, tax on, 39	Reels, exempt, 46
FIRE-ARMS, tax on, 39 FLASKS and patterns used by founders,	HEMP prepared for textile or felting pur-
exempt, 43	poses, exempt, 43 HULLS OF SHIPS and other vessels, ex-
exempt, 43 FLAVORING EXTRACTS for cooking only,	HULLS OF SHIPS and other vessels, ex-
exempt, 43	empt, 43
FLAX and the manufactures thereof, ex-	HOOP SKIRTS two per cent. ad valorem, 39
empt, 42, 43	Horse dealers to pay \$10 special tax.
Foreign Insurance Agents, special	One special tax will cover horse-
tax on, \$50, 31	dealing and livery stables, 30
	Copartnership paying only one spe-
or refusal to do or cause to be done,	cial tax not allowed, 30
etc., 20	Not confined to any one place of busi-
Of fermented liquors for evasion, false	ness, 30
	Horse-rakes and horse-powers, exempt, 45
FRICTION or lucifer matches, how taxed	Blankets exempt when made from
per parcel, etc., 63	cloth on which tax has been paid, - 45
FURNITURE of wood in the rough and	Hotels, inns, taverns, how assessed
finished how taxed	for special tay 21
Of iron, 39	for special tax, 31 Keepers of, not liable as livery stable
37.	keepers, 31
GAINS AND PROFITS to be returned as	Liable as retail liquor dealers if re-
income, 14	tailing liquors, 31
GAS, (illuminating,), how taxed, - 39	HUSBAND AND WIFE, and minor chil-
Fitters, special tax on, - 34	dren, as to income tax, 15
Pipes exempt when made of wood or	No legacy or distributive share tax
cement, 45	charged on husband or wife of the
GERMAN SILVER in bars or sheets, ex-	person who died possessed of the
empt, 43	
± /	FF//

PAGE.	PAGE.
LLUMINATING GAS, manufactured by	Inspectors, to be paid by owner of
educational institutions, exempt, - 43	spirits, 21, 22
MPROVING without changing the char-	. Of tobacco, snuff, and cigars, how
acter of certain manufactures, by	appointed, 26, 27 Fees of, how paid, 26, 27
painting, plating, aming, etc., ow	Fees of, how paid, 26, 27
. 1 · · · · · · · · · · · · · · · · · ·	To give bond, 26, 27
ncome taxed, 14	Insurance Agents, special tax on, - 32
How net income is to be estimated, - 14	Foreign, specially taxed \$50, 32
	Insurance Companies to pay a tax on
Respecting return lists of tax-pay-	
ers, - 14-16 Dates and periods of time, as fixing	gross receipts, 41
Dates and periods of time, as nxing	INTELLIGENCE-OFFICE KEEPERS to pay
liability, 14-16 Banks and companies paying divi-	\$10 special tax, 32
Banks and companies paying divi-	INTEREST received, to be returned as in-
dends, etc., 14-16	come, 15
What subject to, and what exempt	Paid by railroad and other companies,
from, (Rulings,) 17-19	how taxed, 16 IRON, manufactures of, 39
Banks, etc., to make certain returns, - 15	IRON, manufactures of, 39
Railroad, canal, and other companies,	Bar, rod, hoop, sheet, band and plate,
paying interest, 15	exempt, 43
All incomes over \$1,000 subject	
to, 14-16 Who liable to, - 14-16	Castings of, chumerated, 2 39
w no hable to, 14-10	Trains the Contractors armore of to
On what estimated, - 14–16 Deductions to be allowed from, 14–16	JACKS AND STALLIONS, owners of, to
Deductions to be allowed from, 14-10	pay special tax, (\$10,) and furnish
When to be assessed, collected and	a description of the animals, etc.;
	and if not, cannot recover debts, - 34
State, county and municipal taxes de-	JOINT SUCCESSORS to pay succession tax
ductible in making return of, 14-16	in the ratio of their interests, - 51
Duty of guardians, trustees, etc, to	JUGGLERS to pay \$20 special tax in each
make returns of, - 15, 16	state—definition of term, 34
Returns to be made to assistant as-	JUTE, manufacturers of, exempt, - 45
sessor on oath, - 15, 16	3
Penalties for failure to make return	KEYS, actions and strings for musical in-
of TETA	struments evennt - 42
of, 15, 16 Penalty for false or fraudulent return	struments, exempt, 43
of I also of mandulent forum	Kirs, made of wood, exempt, 45
Manner of showing income loss than	KNOBS, wooden, exempt, 45
Manner of showing income less than	T 1
\$1,000, 15, 16 Examination of accounts to show a	LAGER-BEER, Deer, etc., taxed \$1 per
Examination of accounts to show a	-barrel, (see Fermented Liquors.)
correct return of, 15, 16	LAMPS and lanterns, 39
Salary received from United States	
for services, above \$1,000, to be	special tax—term defined, 30
taxed, 16	Lawyers to pay \$10 special tax—term
To be estimated on prize money same	defined, 34
as on salaries, 16	defined, 34 Not liable as conveyancers, 34
To be levied March 1, and paid on or	Copartnerships not covered by one
before April 30, each year, until	special tax, 28
1870, inclusive, and no longer 16	May transact business anywhere, - 28
NCREASED VALUES, 67	LEATHER, (several kinds particularized)
NDIA-RUBBER SPRINGS for railroad cars	how taxed, 39
NDIA-RUBBER SERINGS IOI Tallitudu Cais	Transcript and distributive shares
Articles of apparel ate how toward as	LEGACIES and distributive shares, 50, 51 The trustees made liable, 50, 51
Articles of apparel, etc., how taxed, 38, 39	The trustees made hable, - 50, 51
NN-KEEPERS, 31	No liability when the amount is un-
NSPECTORS, revenue, appointment of,	der \$1,000, 50, 51
in assessment districts, duties, com-	Five degrees of relationship and five
pensation, 9	grades of taxation, 50, 51
Penalty for accepting gifts, etc., - 9	Husband, wife, and minor children
Of spirits, general, how appointed, 21, 22	favored, 50, 51
Fees of, how fixed, 21, 22	When payable—limitation of lien,
To gauge all distilled spirits before	twenty years, 50, 51
removal from distillery, - 21, 22	Trustees' duties in the premises, 50, 51
	1 , , , , ,

PAGE.	PAGE.
LEGACIES and distributive shares, legal	MANUFACTURES AND PRODUCTIONS,
effect of the collector's receipt, - 51	when to pay duties, 19
Refusal, neglect, or fraud of trustees, 51	Penalty for neglect to make return, - 19
Legal proceedings thereupon, - 51	Of tobacco shall make to assessor
The deed as a conveyance and as evi-	statements, etc., 25
dence, 50, 51	Of tobacco, snuff, or cigars, must give
Third parties to deliver up paper, 50, 51	bond to the United States, - 25
Tax may be deducted from legacy, 50, 51	Duties of, 19, 20, 25
LICORICE and licorice paste, exempt, - 45	To furnish statement to assistant as-
Lines, exempt, 45	sessor, 19, 20, 25
LITHARGE and orange mineral, exempt, 43	To furnish inventory to assistant as-
LIVERY-STABLE KEEPERS to pay \$10	sessor, 26
special tax—term defined, 30	To furnish copy of entries, 26
May deal in horses under this tax, - 30	To verify statement by oath, 26
LOTTERIES—ticket dealers to pay \$100	Items to be stated by, in return, - 26
special tax—definition, - 29, 30	MARBLE AND SLATE, or other building
Managers to give bond for the stamp-	stones, exempt, 42
ing of tickets and for tax on gross	MASTS, spars, ship blocks, cordage,
receipts, 49	ropes, and cables, made of vegeta-
Duties and responsibilities of such, - 49	3 3 ° C1
Dealers, etc., gross receipts, 41	MATCHES, stamp duty on, 63
Dearcis, etc., gross recorpts,	
MACHINERY toy on 20	
MACHINERY, tax on, 39	
MACHINES, some kinds, exempt, 43, 45	and the second s
MAGNESIUM and magnesium lamps, ex-	
empt, 45	MATCHWOOD, exempt, 42
MALT, exempt, 42	MINERAL WATER, exempt, 43
MALLEABLE IRON CASTINGS unfinished,	MINERAL COAL of all kinds, and peat,
exempt, 43	exempt, 43
MANGANESE, exempt, 43	Miners to pay \$10 special tax when re-
Manufactures and Productions, - 19	ceipts exceed \$1,000 per annum;
Duties to be a lien in favor of the	otherwise, exempt—specially taxed
United States, 19	"manufacturers," exempt as miners, 35
Proceedings when duties are not paid, 19	MINOR CHILDREN of persons dying pos-
Collector to take possession of prem-	sessed of the property to pay legacy
1ses, - 19	tax only on the excess over
Goods to be fortested and sold, - 19	tax only on the excess over \$1,000, 50 Molasses, exempt, 45
Assessor may assess duties on failure	Molasses, exempt, - 45
to make return, and add penalty, - 19	Money from the sale of realty charged
To be estimated at average value in	as a succession, 52
certain cases, 20	MONTH, lists and returns to be rendered
Duties on increased value in certain	on or before the tenth, IC Assessors to forward to collectors on
cases, 41	Assessors to forward to collectors on
Not otherwise provided for 41	or before last day IC
Form of return, 19, 20	Monthly, quarterly, and other taxes
Value to be determined by sales, 19, 20	to be paid on or before last day, - 10
Where annual product is less than	MONUMENTS of all kinds, not exceeding
\$1,000, exempt, 20	\$100 in value, exempt, 43
Used or consumed by the manufac-	To Union soldiers, of any value, ex-
turer, subject to duty, 20	
Exempt from internal tax, 42	
Increasing the value without changing	picture frames, exempt, 43
the character to be treated as "man-	MOUNTING and machinery of telescopes,
ufacturing," 67	exempt, 43
Manufacturers to pay \$10 special tax,	exempt, 43 Museums, special tax on, 33
definition of term, 32	Mouldings, tax on, 40
May sell goods at place of manufac-	
ture, 19, 20	NEWSPAPERS, exempt, 42
To give notice on commencing busi-	NICKEL, exempt, 43
ness.	NITRATE OF LEAD, exempt, 43
ness, 19 To make monthly returns, 19	Non-residents liable to income tax, - 14
- Ig	TANK TENNESTEE OF THE OTHER OWN,

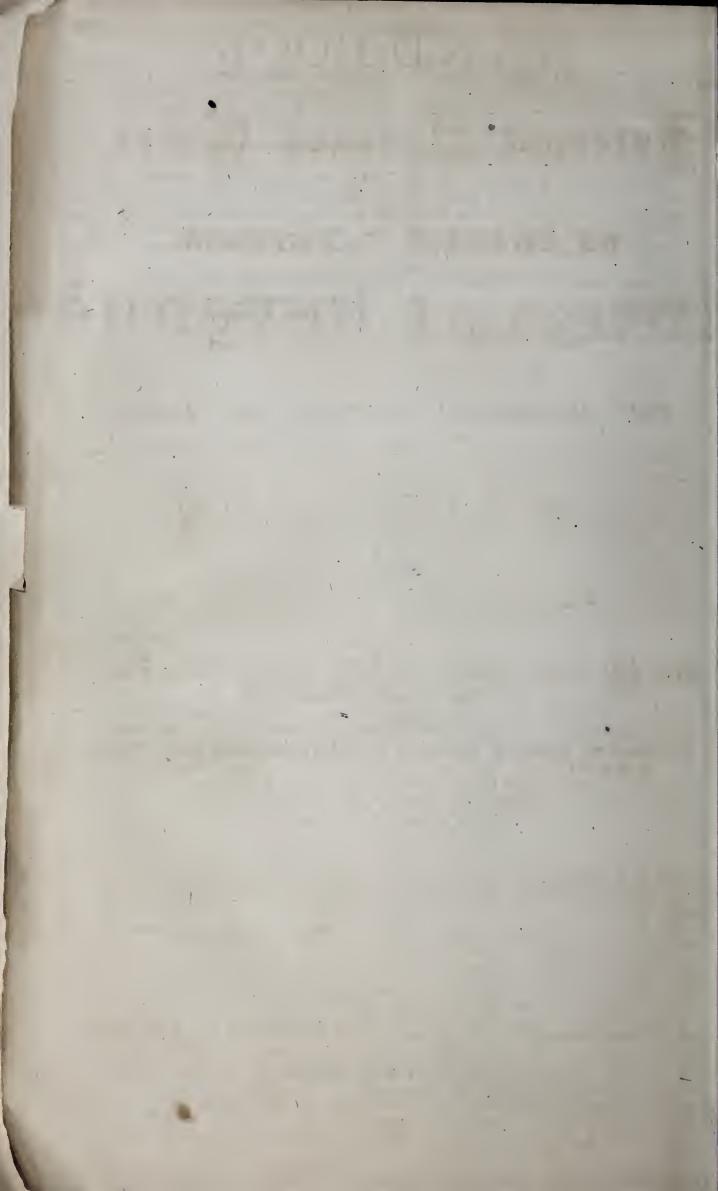
PAGE.	PAGE.
Notice of Time and Place for hear-	PENALTIES, for neglect, etc., by distil-
ING APPEALS given by assessors, 11, 12	lers, 23
	For frauds or neglect relative to fer-
OAKUM, exempt, 43	mented liquors, 24
Office of the Commissioner of Inter-	For conspiracy to defraud, etc., - 67
nal Revenue organized, 5	PERMANENT IMPROVEMENTS not al-
OFFICIAL INSTRUMENT, federal, state,	lowed as deductions from income, - 15
municipal, etc., exempt from stamp	PERMIT to make cigars to be given by
tax, 54	assistant assessor for twenty-five
OILS, whale and fish, exempt, 43	cents, 26
Mineral, above 70 degrees, exempt, - 45	Person or persons includes partner-
Essential, taxed five per cent, - 40	ships, firms, etc., 28
Illuminating, lubricating, or other	PERSONAL PROPERTY only subject to
mineral, how taxed, 40	legacy tax, 50
Vegetable, animal, etc., exempt, - 45	When subject to succession tax, 51, 52
ORIGINAL PAINTINGS, statutes, etc., ex-	PHOTOGRAPHERS to pay \$10 special
	tax—term defined, 33
Oxide of Zinc, exempt, 43	PHOTOGRAPHS, copies of engravings or
, , , , , , , , , , , , , , , , , , ,	works of art, etc., when exempt, - 43
PAINTS and painters' colors, exempt, - 43	Other pictures taken by action of
PALM-LEAF and straw, exempt, - 45	light, whether photographs, ambro-
PAPER, printing, of all descriptions, ex-	types, or daguerreotypes, taxed five
* empt, 43	per cent. ad valorem, 40
Tarred for roofing, etc., exempt, - 43	Physicians to pay \$10 special tax, - 34
Wrapping, exempt, 46	Not liable as apothecaries for keeping
Of other kinds and qualities, taxed	medicines, 34
three per cent, ad valorem, · 40	PICKLES, when sold by the gallon, and
PARAFFINE, and a certain kind of par-	not in glass packages, exempt, - 43
affine oil, 42	PIANO-FORTES, tax on, 40
PARASOLS AND UMBRELLAS, and sticks	PIG-IRON, muck-bar, blooms, slabs, and
and frames for the same, exempt, - 45	loops, exempt, 43
PARENTS and minor children allowed	PINS taxed five per cent. ad valorem, - 40
only \$1,000 deduction from their	PLATE of gold, kept for use, taxed fifty
	cents per ounce 14
PARTNERSHIPS to pay but one special	cents per ounce, 14 Of silver, kept for use, taxed five
tax each 28	cents per ounce 14
Ten exceptions to the rule 28	cents per ounce, 14 Religious societies exempt in this connection, 14 Families exempt on plate of silver to the extent of forty ounces, 14
PAPER COLLARS, tax on 40	connection 14
PASSPORTS taxed \$5 each, how ob-	Families exempt on plate of silver to
tained 47	the extent of forty ounces, 14
PATENT AGENTS to pay \$10 special	PLATED and Britannia ware, tax on, - 40
tax, 32	PLOUGHS, exempt, 43
PATENT RIGHT DEALERS to pay \$10	POT AND PEARL ASHES, exempt, - 43
special tax 22	POTATO HOOKS AND DIGGERS, exempt. 45
PAWNBROKERS to pay \$50 or more.	POTTERY-WARE, of all descriptions,
special tax—definition of term 30	empt 45
PEDDLERS, four classes of how spe-	empt, 45 POWDER, how taxed, 39
cially taxed.	PREMIUMS OF INSURANCE, gross re-
Not taxed for peddling charcoal, news-	ceipts of, how taxed, 47
papers, magazines, bibles, religious	PREDECESSOR, the person from whom
tracts, or the products of their	the successor derives
farms, 33	the successor derives, 51 PRINTING PAPER, exempt, 44
PENALTIES for failure to pay taxes - 12	PRODUCE BROKERS to pay \$10 special
	tax—definition of term, 30
For failure to make return of income It	Commercial brokers, wholesale and
For false or fraudulent return of in-	retail dealers, peddlers, and cattle
come - Tr	brokers, exempt from this tax, - 30
For not effacing brands on liquor	Profits and gains to be returned as in-
casks	come
For forfeiture of hand given for re	PROPRIETARY ARTICLES, (medicines,
moving distilled entrits	toilet preparations matches way
moving distined spirits, 23	toilet preparations, matches, wax

PAGE.	PAGE.
tapers, playing-cards, etc.,) how	SALARIES, fees, etc., of United States
taxed, 62	employes less than \$1,000 to be in-
Pumps, garden engines, and hydraulic	cluded in estimating their incomes, 15
rams, exempt, 45	SALARY TAX, United States officers to
Putry, exempt, 43	pay, 15
	SALERATUS, exempt, 44
Quinine, exempt, 43	SALT, exempt, 45
	SALTS OF TIN, exempt, 44
RAILROAD, canal, turnpike, and slack-	SAVINGS INSTITUTIONS, when exempt
water companies, to withhold five	from special tax, 29
per cent. from dividends, interest, etc. 16	Saws for cotton gins, when exempt, - 45
RAILROAD IRON, unrolled, exempt, - 43	SCALES, taxed three per cent., 40
Inability to pay interest on indebted-	SCHEDULE A.—Carriages, gold watches,
ness suspends payment of tax on	billiard tables, and plate, 14
same, 16	SCHEDULE B.—Instruments and other
Profits of carried to account of any	papers required to be stamped, - 59
fund, or "used for construction,"	SCHEDULE C.—Medicines, cosmetics,
subject to tax of five per cent., - 16	matches, and playing cards, etc.,
On gross receipts, 41	required to be stamped, 62
REAL ESTATE AGENTS to pay \$10 spe-	Proprietors may furnish their own
cial tax—term defined, 32	stamps or dies, 54
RECORD of unstamped instruments, etc.,	Schools of manual labor, 45
illegal, and void as evidence, - 54	SCHOOL-ROOM seats, desks, blackboards,
RECTIFIERS, special tax on—term de-	and globes, exempt, 45
fined, 31	SCYTHES, exempt, 45
REFUNDING TAXES improperly assessed, 64	SCREWS, wood, taxed five per cent. ad
REMOVING for consumption or sale any	
proprietary articles without stamps,	
penalty \$50, 56	
RESIDUUMS OF STILLS, exempt, - 43	~
RENT OF HOMESTEAD may be deducted	SHINGLES, exempt, 44 SHIPS AND BARGES, tax on gross re-
	ceipts, 41
Hotels, inns, and taverns, to deter-	SHIRT-FRONTS, exempt, - 45
mine their special taxes, 31	Shooks, exempt, 45
REPAIRS, allowed for, when usual, in re-	SILK, manufactures of, tax on, 40
	SILVER PLATE, 40
Of all kinds exempt as manufactures	SILVER BULLION, exempt, 42
from ad valorem or other duty, - 44	SLACK-WATER COMPANIES to withhold
RESIDENCE in the United States renders	five per cent. from payments of
aliens liable to income tax, - 14	interest, 16
RETAIL DEALERS to pay \$10 special	SNUFF taxed forty cents per pound, - 40
tax—definition of term, 29	Soap, how taxed according to quality, - 40
Not liable as produce-brokers, - 29	When exempt, 44
Not liable as confectioners, - 29	Souvenirs, 14
Not liable as apothecaries, 29	SPARS, exempt, 44
Butchers not liable as, - 29	SPECIAL AGENTS, penalty for extortion, 9
REVENUE AGENTS appointed by the	Special Commissioner of the Revenue
Secretary, their duties, salaries, etc., 9	to be appointed by the Secretary, 9, 10
REVENUE INSPECTORS, their duties, etc., 9	His office to end June 30, 1870, 9, 10
RHUBARB WINE, exempt, 44	His salary \$,4000, 10
RIVETS of iron, when exempt, 44	SPECIAL LISTS, supplementary to other
ROCK AND ROOT-DIGGERS, exempt, - 45	lists, to be made, 10
ROMAN CEMENT, exempt, - 44	Special Taxes, when assessed, etc., - 28
Roofing slate and tiles, exempt, -44	Before prosecuting business, tax to be
ROOT-BEER and other small beer, ex-	paid, 28
empt, 45	Tax-payer to register his name, ad-
ROPES AND CORDAGE, exempt, - 43, 45	dress, business, etc., and pay the
	tax to the collector or his deputy, - 28
SADDLERY AND HARNESS, tax on, - 40	Penalty for doing business without
SAILS, when exempt, 44	paying the tax, 28

PAGE.	PAGE.
SPECIAL TAXES, the receipt of the col-	STAMPS, forging, counterfeiting, etc.,
lector to be produced when de-	penalty, 54
manded; not produced, goods of a	Illegality of unstamped instruments;
peddler may be seized; one tax to	how made legal; innocent parties
cover only one place of business,	not to suffer, 55
(fifteen exceptions,) when due, - 28	Commissioner to issue stamps; how
Change of parties or places, on death	and to whom, 55
or removal, incurs no liability, but	On manufactured articles when omit-
the change to be registered, - 28	ted may be assessed, 56
A separate tax for each separate busi-	On medicines, perfumery, etc., - 55
ness, (one exception in small towns,) 28	STARCH, exempt, 44
One tax may cover several persons in	STATE LAWS, forbidding or taxing any
copartnership, ten exceptions, - 28	business, to be respected, 36
Vintners and farmers, apothecaries	STATIONERY AND BLANK BOOKS to be
and physicians, how privileged;	supplied to assessors, etc., 6
State laws, in this connection, to	And to collectors, etc., 8
be respected, • 28	STAVES, exempt, 42
Refunding excessive assessment, the	STEAM ENGINES, taxed five per cent. ad
power and discretion with the Com-	valorem 40
missioner, 35	STEAMERS AND VESSELS, supplying
SPICE-GRINDERS to pay \$100 special tax, 35	
SPICES, how taxed, 40	board and lodging, charged \$25, - 31 STEAMBOATS, gross receipts of, - 41
Spindles, iron, exempt, 44 Spirits of Turpentine taxed 10 cents	STEEL, exempt, 46 STONEWARE, exempt, 46
11	
	STOVE-POLISH, exempt, - 45 STRAW, or binders' boards, exempt, - 45
	~ .
STAGE-COACHES taxed on gross receipts, 41	STUMP-MACHINES, exempt, 45
STALLIONS AND JACKS, each owner of,	Succession, what constitutes, 51
to pay \$10 special tax, and furnish	Notice to be given to assessor, - 52
description of the animal; failing	Increase of benefit accruing by death
to pay, cannot recover debts, - 34	to be deemed a, 51
STAMP DUTIES, 54	Persons taking jointly, 52
Alphabetical list of stamp duties,	Disposition of realty with reservation
(Schedule B,) 59	of benefit for life to be deemed, - 51
Bills of exchange not drawn in	Deed of gift to confer, 52 Duties on, 52
United States, put payable in	Duties on, 52
United States, to be stamped, - 55	Devise of real estate to take effect
Official instruments, etc., exempt, - 54	presently deemed a, - 51
Other exemptions, 55	Where interest passes by reason of
Record of unstamped instruments	death, but one duty to be paid, 52, 53
null and void, 54	If alienated before possession, duty to
Want or deficiency of stamp to be sup-	be payable, by whom, - 52, 53
plied; otherwise inadmissible as ev-	Trust for charitable purposes in cer-
idence, 55	tain cases to be deemed, 52, 53 Duty when and where payable, 52, 53
Foreign documents coming here to be .	Duty when and where payable, 52, 53
stamped, 55 Informality will not invalidate, so the	Interest in moneys arising from sale
Informality will not invalidate, so the	of real estate to be deemed, 52, 53
revenue suffers not; but this must	Interest in personal property to be
not apply to proprietary stamps or	used in purchase of realty to be
Schedule C, 55	deemed,
The collector to examine documents	No allowance to be made for contin-
presented, and stamp them, or mark	gent incumbrance, 52
them as exempt; thereupon they	Duties to be repaid in certain cases, 52, 53
shall be legal,	Secretary of the Treasury to refund, - 52
TAMPS, digest of rulings on, 56-58	Commissioner may compound duties
To be cancelled, how; penalty for	in certain cases, 52
fraud, 56	commute duties in certain cases, - 52
Proprietary stamps, how effaced; pen-	Duty to be a lien for five years, 52, 53
alty for fraud, 56	Separate assessment to be made on
Commissioner's discretion and power	separate tracts, 52
as to cancellation, 56	Return to be made by successor, 52, 53

PA	GE.	PAGI	
Succession, assessment to be made on		TOBACCO, fees for, paid by owner, - 2	16
default,	53	Penalty for receiving from person who	
default, Expenses of assessment to be added,	53	has not paid special tax, 2	7
Penalties for default,	53	Penalty for fraudulent marking, or at-	
Successor may appeal from assess-		tempt to evade duties on, 2	27
ment,	53	To be forfeited if sold or possession	
"Real estate," what included in the		parted with by manufacturer or im-	
term,	51	porter before inspection, 2	26
"Successor and predecessor," who	,	Account of stamps to be kept by in-	
denoted by the terms,	51	spector, 2	26
Interests of successors in personal	<i>J</i> -	Penalty for purchasing or selling in	
property subject to tax,			
When allowance to be made in suc-	3.	fraud of the revenue, - 2 Manufacturers of, to make additional	1
	50	statement:	26
cession for incumbrance,	52	statement, 25, 2 Penalty for failure to give bond, 25, 2	16
Successor chargeable with duty only		December her assistant assess	20
as he receives his,	52	Record to be kept by assistant assess-	
Duty to be a first charge on interest		or, - · - 25, 2	20
of successor,	52	Or person for whom made, may be	
Successor to give notice to assessor		assessed at option of assessor, 25, 2	
or assistant of his liability to duty, 52,	53	To furnish inventory annually, 26, 2	27
Successor failing to give notice or de-		To keep books in form prescribed by	
liver account subject to penalty of		Commissioner, 25-2	27
Miscellaneous rulings on,	53	Commissioner, - 25-2 To make return monthly, - 25-2 To give bond, - 26, 2 Taxes on, 4	27
Miscellaneous rulings on,	53	To give bond, 26, 2	27
Sugar, tax on refined, Tax on unrefined, Made from beets, exempt,	40	Taxes on, 4	-
Tax on unrefined	40	TOBACCONISTS to pay \$10 special tax—	
Made from beets, exempt.	44	term defined, 3	22
SUITS by collectors,	9	TRUST COMPANIES to withhold five per	,5
To recover taxes erroneously paid		cent, from dividends, etc., 1	16
not to be maintained till the Com-		TRUSTEES to return lists for their cestuis	
	67	que trust, 15,1	16
Surgeons to pay a special tax; apoth-		TURNPIKE COMPANIES to deduct five	
			76
ecaries exempt as,	34	per cent, from dividends, etc., - 1	10
TAR and crude turpentine, exempt,	44	TT-mp (15) Print Divin or amount	.6
TAXES, national, State, county, and mu-			10
nicipal, may be deducted from in-		UNITED STATES OFFICERS, civil, military	
	15	and naval, to pay tax on their sala-	
TANKS, wooden, exempt, -		ries, 1	-
	46		44
TELEGRAPH COMPANIES to pay three		Umbrella stretchers, exempt, - 2	44
per cent on gross receipts,		· ·	
TEXTILE FABRICS, how taxed,	37	VARNISH, exempt,	46
THEATERS, operas, circuses, museums,		VEGETABLE ALKALOIDS, exempt, - 4	44
shows, etc., to pay two per cent. on		VERDIGRIS, exempt,	44
•	41		44
	34	* * * * * * * * * * * * * * * * * * * *	
THREAD taxed five per cent. ad valorem,		WARP AND YARN,	44
TIN-WARE for domestic and culinary		WATER-PIPES, earthen and stone, ex-	•
purposes, exempt	40	empt,	12
	44		4 -
TIMBER for chairs and partially wrought,		WATCHES, 14,	
		WAGONS, carts, and drays, for farming,	4~
	42		46
Tobacco, manufactured, how taxed,		freighting, or lumbering, exempt, -	46
	•	WASHING-MACHINES, exempt, -	46
Tobacco, snuff, and cigars, domestic			46
and imported, may be transferred to			46
			46
May be removed from such ware-			44
			29
	_	WHOLESALE DEALERS—term defined—	
To be inspected,	26	what special tax,	29
,		ada t	

PAGE.	PAGE
WHOLESALE DEALERS, their sales by	WIRE AND WIRE GAUGE, 44
other wholesale dealers on commis-	Wooden-ware, exempt, 45
sion not to be included, 29	Wool, tax on manufactures of, - 41
In liquors—definition of term—spe-	WOVEN ARTICLES of clothing, 37
cial tax—not liable for selling other	WRAPPING-PAPER, exempt, 46
merchandise, 29	
Any wholesale dealer erroneously as-	YARN AND WARPS, for weaving and
sessed on the basis of last year's	manufacturing exclusively, exempt, 44
sales may have excess refunded, - 29	YEAST AND BAKING-POWDERS, exempt, 44
WINDOW-GLASS, of all kinds, exempt, - 44	YELLOW SHEATHING-METAL, not more
WINE, made from grapes, currants, etc.,	advanced than rods, exempt, - 42
exempt, 44	
Champagne, imitation, or sparkling	ZINC, in ingots or sheets, exempt, - 44
wine, how taxed, 40	Oxide of, exempt, 43
Winnowing-mills, exempt, -, - 45	Washboards, exempt, 44
WIRE, for hoop-skirts, etc., exempt, - 44	



EMERSON'S

1867.

BY CHARLES N. EMERSON,

Counsellor at Law, and Assessor 10th Mass. Dist.,

Containing the Law of June, 1864; as amended July 13, 1866, and March, 1867; being a Codification of all the Internal Revenue Laws of the United States, arranged in proper order, with full Notes, References, and Explanations, together with the leading Decisions and Rulings, now applicable, of the several Commissioners of Internal Revenue and the Secretary of the Treasury, with Tables of Taxation,

Exempt Articles, Stamp Duties, &c., with

Full Alphabetical Schedules and Index.

The Law of June 30, 1864, has been made the basis of all the subsequent enactments and amendments, the numbering of the sections being preserved. The late amendatory enactments preserve this arrangement, and the former editions of this work, following the same system, were, as is believed, made far more convenient and useful than other compilations. Our proposed New Edition of this work, embodying the Law of 1867, will follow this arrangement. It will contain carefully prepared Rules for the assessment of THE INCOME TAX, which has been essentially modified, and will be immediately assessed for 1866; also most of the official Rulings and Decisions made since July, 1866, many of which have not been before published generally; and while it will be particularly useful to Revenue Officers, it will be an indispensable "Guide" to tax-payers in a correct understanding of a system which has been so frequently changed or modified in its provisions. Its Rules for making out an *Income Return*, and its new list of *Exempt Articles*, will be worth the price of the book.

Over 400 Pages, Octavo; in Paper, \$1.00; Cloth, \$1.25.

Sent by Mail, post-paid, on receipt of price.

Published by SAMUEL BOWLES & COMPANY, Springfield, Mass. AMERICAN NEWS COMPANY, New York. ST. LOUIS BOOK AND NEWS CO., St. Louis. WESTERN NEWS CO., Chicago. LEE & SHEPARD, Boston.

Hon. E. A. ROLLINS, the Commissioner of Internal Revenue, in a note to the publisher, says, "The work cannot fail to reflect credit upon yourselvs as publishers, and Mr. EMERSON as Assessor and editor. It must be very serviceable, both to Revenue officers and the general public.'

Hon. David A. Wells, Special Commissioner of Internal Revenue, says of Emerson's Guide: "It is the best exposition of the Internal Revenue Law ever published."

Representative Morrill of Vermont, Chairman of the Committee of Ways and Means (who reported the law), writes to the editor of the work: "From a cursory examination I should think your work had been admirably done. It seems to me that you have handled a difficult subject with great skill, and the promptness with which your 'Guide' is given to the public, so soon after the enactment of the law, is almost marvelous."

"Assessor Emerson has done a good work, and done it promptly. He has succeeded in preparing the most serviceable edition of the Internal Revenue Law that has yet been brought to our notice. * * * The task of making an intelligible guide book which should contain an epitome of the laws in force, is not an easy one. Mr. Emerson, however, by adopting a com-

our notice. * * * The task of making an intelligible guide book which should contain an epitome of the laws in force, is not an easy one. Mr. EMERSON, however, by adopting a comprehensive plan, has succeeded admirably. * * * The work is recommended as reliable to officers and tax-payers."—Internal Revenue Record.

"It is handsomely printed, and contains within its pages all that is necessary to know about the law and its rulings."—Albany Evening Journal.

"Mr. Emerson's book seems to have been edited with great care, and to have made as plain as possible this almost hopelessly complicated subject."—New Haven Palladium.

Across the Continent.

BY SAMUEL BOWLES.

"One of the Most Popular Books of American Travel for Years."

An Overland Stage Journey to the Rocky Mountains, the Mormons, and the Pacific Coast States.

A Volume of 500 Pages, with a Map of the Country.

SENT BY MAIL FOR \$2.00.

The rapid progress of the railway has destroyed the originality, the freshness and the romance of the overland journey to the Pacific, and Mr. Bowles' "Across the Continent" trip records experiences no more to be repeated.

JOHN BRIGHT says: "I have just been reading it, and am amazed at the vastness and resources of America. It is a clever book, and gives one a lively idea of the amazing progress of your people.

A most fascinating volume to young and old, man and woman.—Boston Commonwealth. The best and most effective description of the Mormons.—North American Review.

Admirable beyond praise.—San Francisco Bulletin.

In its descriptions of the wonderful scenery of California, it is eminently happy, reproducing the grandeur and beauty of nature in that region with remarkable pictorial effect.—New York

The Hand-book of the Great Overland Journey.—Chambersburg, Pa., Repository.

No author, English or foreign, has ever produced a book of travel of more absorbing interest.

London Anglo-American Times.

The most instructive, thorough and exhaustive book ever written about the Pacific Coast.—
Sacramento, Cal., Union.
As readable as a romance, and as profitable as a book of sermons.—Burlington, Vt., Free

Nothing gives a better picture, drawn in finer lines, of the great western portion of our Continent. - Boston Post.

Published by SAMUEL BOWLES & CO., Springfield, Mass. And HURD & HOUGHTON, New York.

For sale by American News Company, New York; St. Louis Book and News Company, St. Louis: Western News Company, Chicago; and Lee & Shepard, Boston.